

ORIGINAL

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Priority

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

12 GARY HARRIS, an individual; SUSAN
13 HAGGERTY, an individual; PING YU,
14 an individual; LUTHER RABB, an
15 individual; MEDHAT ELSADONI, an
16 individual; DEAN LANE, an individual;
17 JOAN MOXLEY-BROWN, an
18 individual; JAMAL JOHNSON, an
19 individual; MARY PHONG, an
20 individual; LOS ANGELES COALITION
21 TO END HUNGER AND
22 HOMELESSNESS and FAMILIES
23 AIMING TO IMPROVE THEIR
24 HEALTH CARE (F.A.I.T.H.)

25 Plaintiffs,
26 vs.

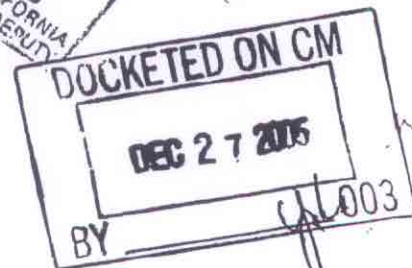
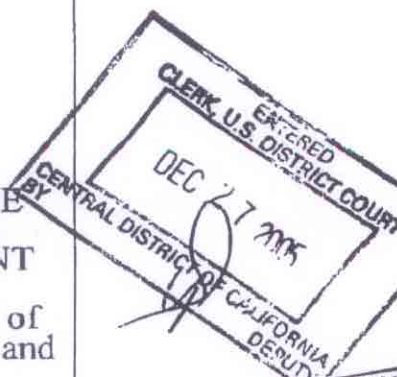
27 BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES; LOS
ANGELES COUNTY DEPARTMENT
OF HEALTH SERVICES; DR.
THOMAS GARTHWAITE, Director of
Department of Health Services; et al. and
DOES 1 through 100, inclusive.

Defendants.

Case No. CV 03 2008 FMC (FVW)

STIPULATED ORDER OF
DISMISSAL WITHOUT
PREJUDICE

Honorable Florence Marie Cooper



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THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

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1 STIPULATED ORDER OF DISMISSAL WITHOUT PREJUDICE

2

3 Based upon the Settlement Agreement ("Agreement") attached as Appendix

4 1 to this order, by and between (i) Luther Rabb, Medhat ElSadani, Joan Moxley-

5 Brown, Mary Phong, Los Angeles Coalition to End Hunger and Homelessness, a

6 non-profit charitable corporation, and Families Aiming to Improve their Health

7 Care, an unincorporated membership organization (collectively, "Plaintiffs"), on

8 the one hand; and (ii) Board of Supervisors of the County of Los Angeles

9 ("Board"), Los Angeles County Department of Health Services ("DHS") and

10 Thomas L. Garthwaite, M.D., Director and Chief Medical Officer of the DHS, on

11 the other hand (collectively "County Defendants");

12

13 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS**

14 **FOLLOWS:**

15 1. This Court has jurisdiction over the claims against the County

16 Defendants pursuant to 28 U.S.C. §§ 1331, 1343 and 1367. Venue is proper in this

17 Court pursuant to 28 U.S.C. § 1391(b).

18 2. Because of the Agreement, all claims against the County Defendants

19 are hereby dismissed without prejudice pursuant to Rule 41(a)(1)(ii) of the Federal

20 Rules of Civil Procedure.

21 3. This Court expressly retains jurisdiction of this action solely to

22 resolve any dispute that may arise regarding the Agreement, including any action

23 to enforce the terms of the Agreement.

24 4. This Order shall not be construed to constitute or be deemed a consent

25 decree.

26

27

5. The County of Los Angeles shall pay Plaintiffs' counsel a total of Four Hundred Fifty-One Thousand Twenty-Eight Dollars and Sixty-Four Cents (\$451,028.64) in attorneys' fees and costs as set out in paragraph 13.2 of the settlement agreement within 5 days of Notice of Entry of the Stipulated Order of Dismissal Without Prejudice.

So stipulated:

DATED: December 20, 2005

ALSCHULER, GROSSMAN, STEIN &
KAHAN LLP

By: Mark A. Neubauer

MARK A. NEUBAUER

Attorneys for Plaintiffs Los Angeles
Coalition to End Hunger and Homelessness,
and Families Aiming to Improve Their
Healthcare

DATED: December 20, 2005

LEGAL AID FOUNDATION OF LOS
ANGELES

By: Silvia R. Argueta

SILVIA R. ARGUETA

Attorneys for Plaintiffs Luther Rabb,
Medhat Elsadoni, Joan Moxley-Brown,
Mary Phong, Los Angeles Coalition to End
Hunger and Homelessness, and Families
Aiming to Improve Their Healthcare

1 5. The County of Los Angeles shall pay Plaintiffs' counsel a total of
2 Four Hundred Fifty-One Thousand Twenty-Eight Dollars and Sixty-Four Cents
3 (\$451,028.64) in attorneys' fees and costs as set out in paragraph 13.2 of the
4 settlement agreement within 5 days of Notice of Entry of the Stipulated Order of
5 Dismissal Without Prejudice.

6 So stipulated:

7
8 DATED: December 20, 2005

ALSCHULER, GROSSMAN, STEIN &
KAHAN LLP

9
10
11 By: _____
12 MARK A. NEUBAUER

13 Attorneys for Plaintiffs Los Angeles
14 Coalition to End Hunger and Homelessness,
15 and Families Aiming to Improve Their
16 Healthcare

16 DATED: December 20, 2005

LEGAL AID FOUNDATION OF LOS
ANGELES

17
18
19
20 By: *Silvia R. Argueta*
21 SILVIA R. ARGUETA
22 Attorneys for Plaintiffs Luther Rabb,
23 Medhat Elsadoni, Joan Moxley-Brown,
24 Mary Phong, Los Angeles Coalition to End
25 Hunger and Homelessness, and Families
26 Aiming to Improve Their Healthcare

27
IT IS SO ORDERED

12/22/05
Monica-Maria Lopez
UNITED STATES DISTRICT JUDGE

1 DATED: December 20, 2005

CHRISTENSEN, MILLER, FINK,
JACOBS, GLASER, WEIL & SHAPIRO,
LLP

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2
3 By: ALISA MORGENTHALER LEVER
4 Attorneys for Defendants Board of
5 Supervisors of the County of Los Angeles,
6 Los Angeles County Department of Health
7 Services and Thomas L. Garthwaite, M.D.

8 **ORDER**

9 Based upon the foregoing stipulation and good cause appearing therefore,
10 IT IS SO ORDERED.

11 Dated: December _____, 2005

12 The Honorable Florence-Marie Cooper
13 United States District Court Judge
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1 DATED: December 20, 2005

CHRISTENSEN, MILLER, FINK,
JACOBS, GLASER, WEIL & SHAPIRO,
LLP

By: Alisa Morgenthaler Lever
ALISA MORGENTHALER LEVER
Attorneys for Defendants Board of
Supervisors of the County of Los Angeles,
Los Angeles County Department of Health
Services and Thomas L. Garthwaite, M.D.

7 ORDER

8 Based upon the foregoing stipulation and good cause appearing therefore,
9 IT IS SO ORDERED.

10 Dated: December ____, 2005

11
12
13 The Honorable Florence-Marie Cooper
14 United States District Court Judge
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SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE (hereinafter "Agreement") is made and entered into as of August 2005 by and between (i) Gary Harris, Susan Haggerty, Ping Yu, Luther Rabb, Medhat ElSadani, Dean Lane, Joan Moxley-Brown, Mary Phong, Jamal Johnson, Los Angeles Coalition to End Hunger and Homelessness, a non-profit charitable corporation, and Families Aiming to Improve their Health Care, an unincorporated membership organization (collectively, "Plaintiffs"), on the one hand; and (ii) Board of Supervisors ("Board") of the County of Los Angeles ("County"), Los Angeles County Department of Health Services ("DHS") and Thomas L. Garthwaite, M.D., Director and Chief Medical Officer of the DHS, on the other hand ("Defendants"). Any reference in this Agreement to a "Party" or the "Parties" shall refer to a party or the parties to this Agreement as set forth hereinabove.

WHEREAS, Plaintiffs filed an action against Defendants on March 12, 2003 in the United States District Court, Central District of California, Case No. CV 03 2008 FMC (PJWx), which action was amended on August 1, 2003 ("the Complaint"), alleging that the Defendants' proposals to close Rancho Los Amigos National Rehabilitation Center ("Rancho") and reduce 100 beds at LAC-USC Medical Center ("LAC-USC") violated several provisions of the California Welfare & Institutions Code, the Americans with Disabilities Act and patient discharge planning provisions of the Federal Medicaid Act, among other laws; and

WHEREAS, on June 4, 2003, the District Court entered a Preliminary Injunction Order which, *inter alia*, enjoined the Defendants:

"1. From reducing the number of beds at LAC-USC Medical Center or closing or reducing the level of inpatient or outpatient care or other medical services at Rancho Los Amigos, or from taking any steps to accomplish those ends; 2. From taking any steps to limit the referral and transfer of patients from other clinics and hospitals in and outside the County system to Rancho Los Amigos or LAC-USC Medical Center; 3. From failing to restore appointments for those who had their outpatient appointments at Rancho Los Amigos cancelled or declined in anticipation of closure or a reduction in medical services; 4. From failing to accept patient transfers or admissions of indigent patients who were previously declined in anticipation of Rancho Los Amigos' closure or service reductions at Rancho Los Amigos or LAC-USC[;]"

WHEREAS, on April 27, 2004, the United States Court of Appeals for the Ninth Circuit affirmed the Preliminary Injunction in a published opinion entitled Harris v. Board of Supervisors, 366 F.3d 754 (9th Cir. 2004);

WHEREAS, Defendants deny the essential allegations of the above-described action and deny that they are liable or obligated to Plaintiffs in any way whatsoever;

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WHEREAS, Defendants project that construction of the LAC-USC Medical Center replacement project will be completed in Spring 2007 and that the facility will be fully operational in September 2007; and

WHEREAS, in order to avoid the expense and uncertainty of further litigation, the Parties desire to fully and amicably resolve the dispute that gave rise to the filing of the action, and otherwise effect a full and complete settlement of any and all matters which have arisen between them; and

NOW, THEREFORE, in consideration of these premises and the conditions and covenants hereinafter set forth, and other good and valuable consideration, the Parties hereto agree as follows:

1. Commitments by Defendants Regarding LAC-USC. Defendants agree to operate LAC-USC in accordance with the following provisions. Except as provided in Paragraph 1.c. below, these obligations shall remain in effect for four (4) years from the date this Agreement is fully executed.

- a. The County shall provide Plaintiffs' counsel quarterly workload reports no later than forty-five (45) days after the expiration of the preceding quarter (e.g., information shall be provided no later than April 30, 2006, for the quarter covering January 1 through March 31, 2006). The quarterly workload reports shall be in a form verifiable to an outside auditor. The quarterly workload reports provided to Plaintiffs' counsel shall include all of the categories of information contained in Exhibit 1 to this Agreement. A true and correct copy of the Department of Health Services' Hospital Workload Detail by Month, Fiscal Year 2004-05, is attached hereto as Exhibit 1.
- b. The County shall provide Plaintiffs' counsel with yearly workload reports for LAC-USC no later than forty-five (45) days after they are generated. The workload reports shall contain the categories of information contained in Exhibit 2 to this Agreement. A true and correct copy of the Department of Health Services' Workload Detail by Year for LAC-USC, Fiscal Year 2004-05, is attached hereto as Exhibit 2.
- c. For a period of two (2) years after the opening of the newly-constructed LAC-USC replacement facility (the "LAC-USC Replacement Facility"), the County shall provide Plaintiffs' counsel with written notice of any reduction of beds and/or services (excluding non-budgetary, temporary, non-recurring reductions), indicating the facility, the scope of the reduction and the number of persons, if any, who will be affected or impacted by the reduction. Such notice shall be provided in writing not less than ninety (90) days prior to the reduction. The foregoing provision does not affect Defendants' obligations under the Beilenson Act.

1.1. Defendants shall budget and in good faith staff for a bed capacity at LAC-USC permitting at least 40,000 inpatient admissions annually (2004 level of admissions).

1.2. Upon execution of this Agreement, Defendants shall budget and in good faith staff at least fifty (50) inpatient psychiatry beds for LAC-USC patients. These fifty (50)

inpatient psychiatric beds are in addition to the six hundred (600) beds at the LAC-USC Replacement Facility for a total of six hundred fifty (650) beds as set forth in Paragraphs 1.4 and 1.5. In exchange for this commitment of at least fifty (50) inpatient psychiatric beds, Defendants may immediately commence the reduction of up to twenty-five (25) beds at LAC-USC from the existing seven hundred forty-five (745) beds.

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1.3. In order to implement any bed reduction allowed under the terms of Paragraphs 1.4 and 1.5 below, LAC-USC must maintain a median non-psychiatric Emergency Department Boarding Time which is below seven (7) hours as determined by the County's Auditor-Controller. Said determinations by the County's Auditor-Controller shall be provided to Plaintiffs' Counsel in the manner specified in Paragraph 12.2 herein. Plaintiffs shall have the right to confirm said conclusion or finding, and Defendants shall comply with all reasonable requests for information (excluding patient-identifying information) and documents from Plaintiffs to enable Plaintiffs to confirm Defendants' conclusions. For the purposes of this provision, the term "Emergency Department Boarding Time" shall be defined as the time from the physician writing the order to admit until the patient is placed in an inpatient bed in a receiving service or unit pursuant to medical judgment. The County shall provide Plaintiffs with quarterly Emergency Department boarding time reports no later than thirty (30) days after the expiration of the preceding quarter (e.g., information shall be provided no later than April 30, 2006, for the quarter covering January 1 through March 31, 2006).

1.4. In addition to the bed reduction provided for under Paragraph 1.2 above, Defendants will be entitled to reduce thirty-five (35) staffed (non-psychiatric) beds at LAC-USC for each reduction of 0.3 days in the Average Length of Stay ("ALOS") of patients at LAC-USC which is achieved below 6.5 days. For purposes of this provision, ALOS shall include the ALOS for all inpatients at LAC-USC and any reference to a 90-day ALOS means the Quarterly ALOS. Each reduction of ALOS of at least 0.3 days must be in place for at least ninety (90) days as determined by the County's Auditor-Controller before Defendants may implement the accompanying bed reduction. Any conclusion or finding by the County's Auditor-Controller that a reduction in ALOS has been achieved which would entitle Defendants to implement a bed reduction shall be provided to Plaintiffs' counsel in the manner specified in Paragraph 12.2 herein. Following any bed reduction made pursuant to this Paragraph 1.4, should the ALOS then increase by 0.2 days or more for a period of ninety (90) days, no further bed reductions may take place unless and until the increase of 0.2 days or more is eliminated and maintained for forty-five (45) days and a further reduction of 0.3 days is achieved and maintained for ninety (90) days. Plaintiffs shall have the right to confirm the ALOS and all conclusions or findings under this Paragraph, and Defendants shall comply with all reasonable requests from Plaintiffs for information (excluding patient-identifying information) and documents to enable Plaintiffs to confirm Defendants' conclusions.

1.5. Following the transfer of the operations of LAC-USC from its current facilities to the LAC-USC Replacement Facility, Defendants will budget and in good faith staff at least six hundred (600) inpatient beds at the LAC-USC Replacement Facility, plus the fifty (50) inpatient psychiatric beds referenced in Paragraph 1.2 above, for a minimum total of six hundred fifty (650) inpatient beds which Defendants must budget for and in good faith staff. The number of inpatient beds the County shall provide in addition to these six hundred fifty (650) inpatient beds shall be determined by the reductions in ALOS as set forth in Paragraph 1.4

above. The reduction of beds from the current seven hundred forty-five (745) inpatient beds at LAC-USC to six hundred fifty (650) beds in the LAC-USC Replacement Facility must be achieved gradually through the means described in Paragraph 1.4.

1.6. Upon the execution by all parties of this Agreement, Defendants shall implement a patient tracking system (manual or otherwise) to track the Emergency Department Boarding Time as defined in Paragraph 1.3. Defendants further shall record the time a patient is registered in the Emergency Department and the time the patient either is discharged from the Emergency Department or is admitted to the hospital. Defendants also shall install an electronic patient tracking system that includes operational time stamps in the Emergency Department of the LAC-USC Replacement Facility. The electronic patient tracking system in the LAC-USC Replacement Facility shall monitor the Emergency Department Boarding Time as defined in Paragraph 1.3 and track wait times in the Emergency Department from the time a patient is registered until the patient either is discharged from the Emergency Department or admitted to the hospital which are eight (8) hours or longer. Defendants shall provide the Emergency Department Boarding Time in the current LAC-USC facility and the LAC-USC Replacement Facility, and the wait times referenced above in the LAC-USC Replacement Facility, to Plaintiffs' counsel on a quarterly basis no later than thirty (30) days after the expiration of the preceding quarter (e.g., information shall be provided no later than April 30, 2006, for the quarter covering January 1 through March 31, 2006).

1.7. Within fourteen (14) days of the date this Agreement is fully executed, Defendants shall increase the average supply of chronic prescription drugs provided for patients at LAC-USC to ninety (90) days unless medical judgment decrees otherwise.

1.8. Each Surgery, Cardiology, Medicine, Orthopedics, Diabetes, Gastrointestinal, Endocrinology, Neurology and Rheumatology Clinic located at the outpatient clinics at LAC-USC and the comprehensive health centers which are part of the LAC-USC Healthcare Network (the "Comprehensive Health Centers") will provide one (1) new open appointment slot per doctor per each clinic day the above-mentioned clinics schedule appointments, up to a maximum of five (5) additional appointments per clinic per day, within thirty (30) days of the date this Agreement is fully executed. These appointments shall be available for direct referrals from LAC-USC's Emergency Department, the Comprehensive Health Centers and the DHS' Public-Private Partnership Program providers in the LAC-USC catchment area. In the event a clinic has fewer than five (5) doctors, and therefore fewer than five (5) new open appointment slots are required to be added under this Paragraph, existing appointment slots shall be dedicated to the direct referrals described above to make up the difference, for a total of five (5) appointment slots (whether new or existing) dedicated to referrals from the sources described in this Paragraph 1.8.

1.9. Within six (6) months of the date this Agreement is fully executed, Defendants shall budget at least \$12 million and provide Plaintiffs' counsel with an operating plan for, and commence operation of, a center at LAC-USC for the direct referral of patients from LAC-USC's Emergency Department which is modeled after the Harbor/UCLA Primary Care Diagnostic Center (the "LAC-USC Primary Care Diagnostic Center"). The operating plan for the LAC-USC Primary Care Diagnostic Center will indicate the scope of services to be provided by the center and the volume of patients it is expected to serve.

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1.10. Within eighteen (18) months of the date this Agreement is fully executed, Defendants shall develop a contingency plan which they shall timely implement if they should fail to meet the terms set forth in Paragraphs 1.1-1.5 hereof. The terms of such contingency plan may include the use of available beds at other acute hospitals and exploration with appropriate authorities of the maintenance of some inpatient services at the current LAC-USC. A copy of the contingency plan shall be provided to Plaintiffs' counsel in the manner specified in Paragraph 12.2 herein.

2. Commitments By Defendants Regarding Rancho.

2.1. The County shall negotiate in good faith with entities interested in taking over Rancho and/or the core rehabilitation services provided by Rancho. The County shall assemble a dedicated team to oversee such negotiations.

2.2. The County shall advise Plaintiffs' counsel about the progress of the negotiations and about any barriers to reaching an agreement ("Takeover Agreement") with an entity to take over Rancho. The County shall provide counsel for Plaintiffs with quarterly updates on the status of any such negotiations.

2.3. For purposes of this Agreement only, the term "indigent" shall mean and include those individuals who (a) reside in Los Angeles County, and either (b) meet the income and resource eligibility requirements for Medi-Cal but do not fall into specified Medi-Cal eligibility criteria categories, or (c) have income below 200% of the Federal Poverty Level.

2.4. The County shall ensure that any Takeover Agreement requires the takeover entity to continue the mission of Rancho as a catastrophic rehabilitation hospital. The Takeover Agreement shall require the takeover entity to accept for treatment eligible County indigent and Medi-Cal rehabilitation inpatients and outpatients pursuant to catastrophic injuries, illnesses and related medical services admissions protocols in place at Rancho in the year prior to any takeover and shall further require the County to compensate the takeover entity at a competitive rate within industry norms for catastrophic rehabilitation hospitals. To the extent that Rancho lacks available beds or patient appointment outpatient slots for eligible County indigent rehabilitation patients who otherwise would be accepted under the above-mentioned admissions protocols, the County has the obligation of referring and paying for those patients to be treated at a rehabilitation facility with the appropriate Commission for Accreditation of Rehabilitation Facilities ("CARF") accreditation until such time as a bed or patient appointment outpatient slot at Rancho becomes available.

2.5. The County shall provide an opportunity for Plaintiffs' counsel to review and comment on the provisions in the Takeover Agreement relating to continued access to Rancho's inpatient and outpatient services by eligible County indigent and Medi-Cal rehabilitation patients. The County shall send any Takeover Agreement to Plaintiffs' counsel for their review and comment at least thirty (30) days before such agreement is submitted to the Board for approval or is executed, whichever is sooner.

2.6. The County shall operate Rancho at a total of one hundred sixty-two (162) available beds (budgeted Average Daily Census ("ADC") of one hundred forty-six (146) beds)

with the complement of core rehabilitation services (clinical rehabilitation services as outlined in the Gil/Balsano report and the rehabilitation and related services¹ listed in the County's 7/18/2003 Feasibility Report ("Core Rehabilitation Services")) and the budgeted-for outpatient services that support the Core Rehabilitation Services as set out in the County's 7/18/2003 Feasibility Report plus outpatient services to support the ortho-diabetes and arthritis services at approximately the March 2005 level unless and until the take-over entity begins operating Rancho. A true and correct copy of the County's 7/18/2003 Feasibility Report is attached hereto as Exhibit 3 and incorporated herein by this reference. The County's operation of Rancho includes the CART (Center for Applied Rehabilitation Technology), the Pathokinesiology Laboratory and the Vocational Rehabilitation and Drivers' Training Program. Rancho shall continue to treat persons with the diagnosis of postpolio syndrome.

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2.7. The County shall fund twelve (12) beds at Rancho (included in the one hundred sixty-two (162) available bed commitment in Paragraph 2.6 above) to continue to provide its ortho-diabetes and arthritis services. Additionally, the outpatient services provided to the ortho-diabetes and arthritis patients must be maintained at the same level existing as of March 18, 2005, with respect to both the types of outpatient services provided as well as the number of outpatients served. The foregoing twelve (12)-bed commitment and commitments regarding outpatient services must be maintained, whether at Rancho or, in the event of a takeover or closure of Rancho, elsewhere in the County system, for a period of three (3) years from the date this Agreement is executed. At the end of those three (3) years, the County must continue to provide ortho-diabetes and arthritis patients with the same level of inpatient and outpatient services and clinics existing at Rancho as of March 18, 2005, whether at Rancho or at another County facility, for an additional three (3) years, and the budget of the County facility receiving those patients shall be increased to cover the cost of providing these services.

2.8. County hospitals that admit patients who require chronic intravenous ("IV") antibiotic treatment services shall no longer be required to transfer them to Rancho.

2.9. To offset the increased demand on the beds at LAC-USC for those patients who require chronic IV antibiotic treatment and who shall no longer be transferred to Rancho (ADC at Rancho of 2.4 patients), Rancho shall direct admit from the LAC-USC emergency room ortho-diabetes patients up to a projected daily census averaging 2.0 patients on an annual basis.

2.10. The County may operate Rancho under the license of LAC-USC if it elects to do so as long as it does not interfere with future Medi-Cal revenue.

2.11. a. The County shall provide medically necessary health care, on an inpatient and outpatient basis, to eligible County indigent and Medi-Cal patients with liver disease who would otherwise have received such care at Rancho's former liver service ("Liver Patients").

b. The County shall provide inpatient care to the Liver Patients at County facilities which have a full-time gastrointestinal consult service.

¹ Adult Brain Injury, Spinal Cord Injury, Major Multiple Trauma, Pediatrics, Neurology, Stroke, Gerontology, Pressure Ulcer Management, Rehab Related Medical Surgeries, Intensive Care Unit ("ICU") and two (2) Operating Rooms.

c. The County shall provide outpatient care to the Liver Patients by at least continuing to operate liver and hepatitis outpatient clinics in the LAC-USC Healthcare Network at the same level as they were operated at Roybal and LAC-USC (as measured by average visits per month) as of March 2005. Medical staff at the liver clinics shall have direct admitting privileges at County hospitals.

d. The County shall provide outpatient care that is designed to limit or prevent the hospitalization or repeat hospitalization of the Liver Patients.

e. The County shall include the Liver Patients into a case management system.

f. The County shall monitor all current patients registered in the liver clinics at Roybal and LAC-USC beginning as soon as practical, for the following indicators:

- (1) What is the Emergency Department boarding time and waiting time for hospital admission for patients from the clinics who require acute inpatient care (i.e., time for patient referred from clinic to be admitted to a hospital bed)?
- (2) What is the readmission rate for these patients?
- (3) What percentage of the patients continue to maintain the same principal source of care?
- (4) When admitted for acute care, which hospitals are used?

2.12. The Medical Director of the DHS, the Medical Director of LAC-USC and the Medical Executive Committee of LAC-USC shall review the results of the above-mentioned monitoring semi-annually and shall provide said results without patient-identifying information to Plaintiffs' counsel. Upon submission of the results to the Medical Executive Committee of LAC-USC, the Medical Director of LAC-USC shall send a written confirmation to Plaintiffs' counsel, as designated in Paragraph 12.2 herein, attesting to the fact that the results have been submitted to the Medical Executive Committee of LAC-USC.

2.13. In the event the above-mentioned data in Paragraph 2.11 above reveal that the Liver Patients are not receiving medically necessary health care, the County shall implement additional measures to ensure that these patients will receive medically necessary health care for their liver disease.

2.14. Except as otherwise provided herein, the County shall operate Rancho under the standards cited in Paragraphs 2.6-2.13 above for a period of three (3) years from the date this Agreement is executed by all Parties ("Three Year Period").

2.15. During the Three Year Period, the County shall pursue with due diligence (as defined in Paragraph 2.16 below) a buyer and/or operator and/or the establishment and operation of an Internal Revenue Code section 501(c)(3) corporation to take over Rancho and

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shall use its best efforts to implement measures to improve Rancho's operations so that the facility operates in the most efficient and economical manner practicable. Should another entity be willing to take over Rancho, the County shall require that entity to continue to operate Rancho as a comprehensive catastrophic rehabilitation hospital with both inpatients and outpatients. Any transfer shall not diminish Defendants' obligations under this Agreement to the extent such obligations are not extinguished by a transfer under the terms of this Agreement.

2.16. "Due Diligence" shall mean at least the following:

a. A panel ("the Panel") shall be promptly created consisting of Dr. Robert Tranquada (tentative selection) or another person chosen by the Plaintiffs' counsel at any time, and Dean Norman, M.D., or another person chosen by the County at any time. Plaintiffs' Counsel and the County reserve the right to change their Panel designees at any time. The County shall compensate members of the Panel no more than \$225.00 per hour of work fulfilling the obligations set forth in this Agreement provided that the members submit to the County bills reflecting the number of hours and a brief description of the work performed. The County shall also pay the reasonable out-of-pocket costs (excluding travel expenses) incurred by members of the Panel, such costs to be paid in accordance with the County's travel reimbursement policy. Notwithstanding the foregoing, the County shall not be obligated to pay Plaintiff's appointee to the Panel more than \$100,000, plus allowable out-of-pocket expenses, for the performance of his or her duties as a member of the Panel under this Agreement.

b. The County shall fund and retain at least one individual on a full-time basis to pursue the County's duties under Paragraph 2.15 above. The Panel shall approve the full-time individual so retained.

c. The County shall prepare quarterly written reports of its progress to find an entity to take over Rancho as well as its efforts to implement measures to improve Rancho's operations so that the facility operates in the most efficient and economical manner practicable and shall send such reports to the Panel, Plaintiffs' counsel and Defendants' counsel in the manner specified in Paragraph 12 herein. The Panel shall evaluate the quarterly reports and report their evaluation to the Parties.

d. Should the County initiate any of the steps set forth in Paragraph 2.17 below, any member of the Panel who is not licensed to practice medicine shall be replaced with an individual who is licensed to practice medicine.

e. The Panel shall remain in existence for three (3) years and six (6) months from the date this Agreement is fully executed.

2.17. a. If after the end of the Three Year Period, the County has not engaged an entity to assume the responsibility of operating Rancho pursuant to the terms of Paragraphs 2.4 and 2.15 above, the County cannot close Rancho without: (i) holding a hearing under the Beilenson Act; (ii) developing a written plan addressing how those eligible County indigent patients who otherwise would have been admitted to Rancho will instead receive medically necessary rehabilitation services at a facility with the appropriate CARF accreditation; (iii) developing a written discharge plan for each existing indigent, Medi-Cal or Medi-Cal

pending inpatient at Rancho in accordance with applicable law and medically acceptable standards; (iv) developing a written discharge plan for each indigent, Medi-Cal or Medi-Cal pending outpatient at Rancho who is diagnosed with one or more ambulatory care sensitive conditions or a chronic medical condition of clinical significance, during a previous visit, and not stabilized or has a complex multi-system disorder (e.g., outpatients who use a ventilator and/or who have a diagnosis of postpolio syndrome) in accordance with applicable law, medically acceptable standards and the notification and assistance requirements set forth in DHS's September 11, 2002 memo entitled Check of Actions Related to Redesign Implementation and Attachment 5 thereto (patient triage assessment process) regarding health center closure requirements and the attached patient triage requirements for patient notification, medical records and clinical staff follow-up for the above categories of indigent, Medi-Cal or Medi-Cal pending outpatients; (v) developing referral procedures for all other indigent, Medi-Cal or Medi-Cal pending outpatients at Rancho (not covered by the immediately preceding subparagraph (iv)) in accordance with applicable law and medically acceptable standards; and (vi) arranging for Los Angeles County's California Children's Services (CCS) program to assume responsibility for ensuring that appropriate inpatient and outpatient care are provided to CCS-eligible children who otherwise would have been receiving inpatient and/or outpatient care at Rancho. For purposes of this subparagraph 2.17.a., outpatients include those persons who received an outpatient service at Rancho during the three (3) years prior to the date that work begins on any of the discharge plans identified in this subparagraph. If the Plaintiffs wish to contest any action or inaction under sections (i)-(vi) of this subparagraph as being in violation of this Agreement or the law, the dispute will be resolved in accordance with Paragraph 13.10 below. In any such proceeding, Defendants shall establish that they have met the requirements for closure of Rancho as set forth in this Agreement.

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b. If after the end of the Three Year Period, the County decides either to close Rancho or to reduce inpatient or outpatient services at Rancho by twenty-five percent (25%) or more from the levels set out in Paragraphs 2.6 and 2.7 above, the County shall do the following:

- (1) The County shall provide the Panel (if in existence) and Plaintiffs' counsel with copies of the transfer agreements that it has in place at the time it makes any decision to close Rancho or reduce inpatient and outpatient services at Rancho (as described above) for its directly operated trauma centers pursuant to 22 Cal. Code Regs. §§ 100259(d)(4), 100259(e)(2), 100261(d)(3), 100261(e)(2), and 100263(j)(3)(C);
- (2) The County shall provide a written report to the Panel (if in existence) and Plaintiffs' counsel as to the plans the County has developed for: (i) providing inpatient and outpatient rehabilitation services or related medical services to eligible County indigents and Medi-Cal recipients who are impacted by the proposed closure or reduction at other County facilities with appropriate CARF accreditation instead of at Rancho; or (ii) referring eligible County

indigents and Medi-Cal recipients who otherwise would have been referred to Rancho for inpatient and/or outpatient rehabilitation services or related medical services to non-County facilities with the appropriate CARF accreditation in Los Angeles County;

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- (3) In developing the above-mentioned written plans, the County shall conduct a survey of CARF accredited facilities that accept Medi-Cal recipients as patients and that provide the same or similar inpatient and outpatient services as provided by Rancho pursuant to Paragraph 2.6 of this Agreement. Based upon the results of this survey, the written report to the Panel (if in existence) and Plaintiffs' counsel shall set forth for each such facility: (i) the different rehabilitation services provided by the facility; (ii) the number of beds that the facility has designated for rehabilitation services, including for catastrophic rehabilitation services and for patients on ventilators, and (iii) the facility's response to the County's inquiry as to whether it would be willing to provide inpatient and/or outpatient rehabilitation services to additional Medi-Cal recipients and, if so, the number of additional Medi-Cal recipients the facility would be willing to accept for inpatient rehabilitation services and for outpatient rehabilitation services.

c. At least seventy-five (75) days prior to giving notice under the Beilenson Act pursuant to this Paragraph, the County shall distribute the plans referenced in paragraphs 2.17.a.(ii)-(iv) and 2.17.b.(2) to the Panel (if in existence) and to Plaintiffs' counsel. Within sixty (60) days after receipt of any of these plans, the Panel (if in existence) shall issue to the Board of Supervisors and Plaintiffs' counsel and Defendants' counsel: (i) a written recommendation as to whether the County's plan ensures that indigent patients shall continue to receive medically appropriate rehabilitation and related services as provided at Rancho as of March, 2005, and as defined in this Agreement and (ii) a written report on the impact of a Rancho closure or reduction that excludes Medi-Cal patients on the ability of these Medi-Cal patients to receive medically necessary rehabilitation and related medical services.

d. Notwithstanding Paragraphs 2.17.b.(1)-(3) and 2.17.c. above, Defendants shall no longer be required to provide the Panel with the written materials covered by Paragraphs 2.17.b.(1)-(3) and 2.17.c. of this Agreement after three (3) years and six (6) months from the date this Agreement is fully executed, but this shall not relieve Defendants of the obligation to provide the written materials required by Paragraphs 2.17.b.(1)-(3) and 2.17.c. to Plaintiff's counsel beyond that time period.

e. If the Plaintiffs wish to assert that the County has breached any of the terms of this Agreement, or that the County's decision to close Rancho or to reduce inpatient or outpatient services at Rancho by twenty-five percent (25%) or more from the levels set out in

Paragraphs 2.6 and 2.7 above otherwise violate the law, the County will not object to the new matter being assigned to the Honorable Florence Marie Cooper.

f. During the Three Year Period, Plaintiffs shall not file or initiate any new legal action against the County as to the matters covered by Paragraphs 2.6-2.11 of this Agreement so long as the County fully complies with the standards cited in Paragraphs 2.6-2.11 of this Agreement during that same period of time. This Agreement is otherwise not intended in any way to limit, impair or affect the rights of Plaintiffs, if any, to challenge within the Three Year Period any: (i) future closure of Rancho; (ii) future transfer of Rancho to a take-over entity; and/or (iii) future reduction in the level of services available at Rancho to indigents and Medi-Cal recipients below those set forth in Paragraphs 2.6, 2.7, 2.9 and 2.11 of this Agreement.

2.18. Information under this Agreement:

a. During the Three Year Period, the County shall provide Plaintiffs' counsel with the information listed below on a quarterly basis no later than thirty (30) days after the expiration of the preceding quarter (e.g., information shall be provided no later than April 30, 2006, for the quarter covering January 1 through March 31, 2006):

b. The monthly census of inpatients and outpatients at Rancho with separate breakdowns by payor source at time of admission (namely, Medi-Cal recipients, Medi-Cal pending, General Relief, self-pay/uninsured and other indigents) and by service (e.g., Pediatrics or Neurology).

c. The monthly census of ortho-diabetes patients directly admitted to Rancho from the LAC-USC emergency room.

2.19. During the last year of the Three Year Period, the County shall provide Plaintiffs' counsel on a quarterly basis a breakdown of the numbers of patients who have been admitted to Rancho by source of referral (i.e., another County hospital or facility, other hospitals, long-term care facilities).

2.20. Additionally, if the County enters into a Takeover Agreement prior to the last quarter of the Three Year Period, the County shall provide Plaintiffs' counsel with the information set out in the immediately preceding subparagraph 2.19 for the three (3) quarters prior to the County's signing of the Takeover Agreement.

3. Dismissal by Plaintiffs. Promptly following the full execution of this Agreement, Plaintiffs shall file the attached Stipulated Order of Dismissal with the United States District Court for the Central District of California, which orders, among other things, the dismissal of this action without prejudice.

4. Release by Plaintiffs. Except for the obligations arising out of this Agreement, Plaintiffs, on behalf of themselves and their successors and assigns, and each of them, does hereby release and absolutely discharge Defendants' and Defendants' officers, directors, agents, attorneys, employees, successors, assigns, subsidiaries and related entities and each of them, of and from any and all claims, demands, damages, debts, liabilities, accounts, actions and causes of action, of every kind and nature whatsoever, whether now known or unknown, suspected or

unsuspected, which Plaintiffs ever had or now have, so that Plaintiffs shall not have any claim of any kind or nature whatsoever on or against the persons or entities herein released, their legal successors and assigns, and each of them, directly and indirectly, on any contract (express or implied in fact or implied in law) or on any supposed liability or thing or act, undertaken, done or omitted to be done, at any time prior to the date hereof, including but not limited to, any and all such claims, demands, debts, liabilities, accounts, actions or causes of action arising from or in connection with the acts referred to in the Complaint, Defendants' proposals to close Rancho or reduce 100 beds at LAC-USC or Defendants' closure or reduction in services at Rancho or LAC-USC as of the date this Agreement is fully executed.

5. Release by Defendants. Except for the obligations arising out of this Agreement, Defendants on behalf of themselves and their successors and assigns, and each of them, does hereby release and absolutely discharge Plaintiffs and Plaintiffs' officers, directors, agents, attorneys, employees, successors, assigns, subsidiaries and related entities and each of them, of and from any and all claims, demands, debts, liabilities, accounts, actions and causes of action of every kind and nature whatsoever, whether now known or unknown, suspected or unsuspected, which Defendants ever had or now has, so Defendants shall not have any claim of any kind or nature whatsoever, on or against the persons or entities herein released, or any of them, directly or indirectly, on any contract (express or implied in fact or implied in law) or on any supposed liability or thing or act undertaken, done or omitted to be done, at any time prior to the date hereof, including but not limited to, any and all such claims, demands, damages, debts, liabilities, accounts, actions or causes of action arising from or in connection with the acts referred to in the Complaint, Defendants' proposals to close Rancho or reduce 100 beds at LAC-USC, or Defendants' closure or reduction in services at Rancho or LAC-USC or any other action taken by Defendants with respect to Rancho or LAC-USC as of the date this Agreement is fully executed.

6. Covenant Not to Sue. Each Party agrees that it will not make, assert or maintain against any person or entity that it has released in this Agreement, any claim, demand, action, suit or proceeding arising out of or in connection with the matters herein released. The foregoing shall not prevent any Party from bringing an action or other proceeding to enforce the terms of this Agreement.

7. No Assignment of Released Claims. Each Party to this Agreement represents and warrants that it has not heretofore assigned or transferred or purported to transfer or assign to any person, firm or corporation, any matter herein released. Each Party agrees to indemnify and hold harmless the other against any claim, demand, damage, debt, liability, account, action or cause of action, cost or expense, including attorneys' fees actually paid or incurred, arising out of or in connection with any such transfer or assignment, or purported or claimed transfer or assignment.

8. Release of Unknown Claims. Each Party acknowledges that it has been informed and is aware of the provisions of Section 1542 of the Civil Code of the State of California, and does expressly waive and relinquish all rights and benefits which it has or may have had under said section, which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of

executing the release, which if known by him, must have materially affected his settlement with the debtor."

Each Party acknowledges that it is aware that it may hereafter discover facts different from or in addition to those it now knows or believes to be true with respect to the matters herein released, and it agrees that these releases shall be and remain in effect in all respects as complete and general releases as to the matters released, notwithstanding any such different or additional facts.

9. Independent Legal Advice. Each of the Parties to this Agreement does hereby warrant, represent and agree that in executing this document it does so with full knowledge of the rights which it may have in respect to the other Parties to this Agreement, and that it has received or has been given the opportunity to seek and obtain independent legal advice from its attorneys with respect to the matter hereinabove set forth and with respect to its rights and asserted rights arising out of said matters.

10. Denial of Liability. None of the Parties have made or shall they be deemed to have made any admission of liability or wrongdoing of any kind by their negotiation of or entry into this Agreement. Neither this Agreement nor any provision contained herein shall be construed by any person as an admission by any of the Parties of any liability for, related to or arising out of any of the claims released herein or any other claims of any nature. The Parties are entering into this Agreement for the purpose of resolving disputed issues between them and to avoid the costs and risks of litigation.

11. Warranty of Authority. Each of the persons signing this Agreement declares and represents that the Party for who or which he or she is signing has taken all necessary action to approve the making and performance of this Agreement, that he or she is competent to execute this Agreement and that he or she is duly authorized and has the full right and authority to execute this Agreement on such Party's behalf.

12. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given if delivered by hand, or if mailed by United States certified or registered mail, with postage prepaid, five (5) days after mailing, or if delivered by telecopy, with receipt confirmed and a confirming letter sent by United States mail, certified or registered mail, two (2) days after telecopying:

12.1. If to Defendants: Raymond G. Fortner, Esq., County Counsel
Leela A. Kapur, Esq., Senior Assistant
County Counsel
Sharon A. Reichman, Esq., Principal Deputy
County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Telephone: (213) 974-1825
Facsimile: (213) 680-2165

with a copy to:

Patricia L. Glaser, Esq.
Alisa Morgenthaler Lever, Esq.
Christensen, Miller, Fink, Jacobs, Glaser, Weil &
Shapiro, LLP.
10250 Constellation Boulevard, 19th Floor
Los Angeles, California 90067
Telephone: (310) 553-3000
Facsimile: (310) 556-2920

SCANNED
SCANNED

or to such other person or address as Defendants shall furnish to the other Party hereto in writing.

12.2. If to Plaintiffs:

Silvia R. Argueta, Esq.
Yolanda Arias, Esq.
Elena H. Ackel, Esq.
Legal Aid Foundation of Los Angeles
5228 Whittier Boulevard
Los Angeles, California 90022
Telephone: (213) 640-3883
Facsimile: (213) 640-3911

Barbara Siegel, Esq.
Neighborhood Legal Services of
Los Angeles County
13327 Van Nuys Boulevard
Pacoima, CA 91331-3099
Telephone: (818) 834-7572
Fax: (818) 834-7552

Mark A. Neubauer, Esq.
Meredith M. Moss, Esq.
Alschuler Grossman Stein & Kahan LLP
The Water Garden
1620 26th Street
Fourth Floor, North Tower
Santa Monica, California 90404-4060
Telephone: (310) 907-1000
Fax: (310) 907-2000

or to such other person or address as Plaintiffs shall furnish to the other Party hereto in writing.

13. Miscellaneous.

13.1. Entire Agreement. This Agreement contains all representations and the entire understanding between the parties hereto and supercedes any and all prior written and oral agreements that exist or may have existed between the Parties. This Agreement cannot be modified except by a written instrument signed by all the Parties hereto.

13.2. Attorneys' Fees, Fees and Costs. Defendants shall pay Plaintiffs' counsel a total of Four Hundred Fifty-One Thousand Twenty-Eight Dollars and Sixty-Four Cents (\$451,028.64) in attorneys' fees and costs. Such payments shall be made as follows: a) by check in the amount of One Hundred Seventy-Four Thousand Eight Hundred Seventy-Six Dollars and Sixty-Four Cents (\$174,876.64) payable to Alschuler Grossman Stein & Kahan LLP, b) by check in the amount of Twenty-Six Thousand Sixty-Six Dollars and No Cents (\$26,066.00) payable to the Alschuler Grossman Stein & Kahan LLP Client Trust Account, c) by check in the amount of Two Hundred Eighteen Thousand Two Hundred Ten Dollars and No Cents (\$218,210.00) payable to the ACLU Foundation of Southern California, d) by check in the amount of Twenty-One Thousand Eight Hundred Seventy-Six Dollars and No Cents (\$21,876.00) payable to the Center for Medicare Advocacy, Inc., and e) by check in the amount of Ten Thousand Dollars and No Cents (\$10,000.00) to the Legal Aid Foundation of Los Angeles (for costs only). Except as otherwise provided herein, Defendants shall not be required to compensate Plaintiffs for any attorneys' fees and costs incurred in connection with monitoring Defendants' compliance with this Agreement. However, if any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs in addition to any other relief to which they may be entitled.

13.3. Additional Documents. Each Party shall, at the request of the other, execute, acknowledge and deliver whatever additional documents, and do such other acts, as may be required or convenient to carry out the intent and purpose of this Agreement.

13.4. Waiver – Validity. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. In the event that any provision of this Agreement shall be held to be invalid, the same shall not effect in any respect whatsoever, the validity of the remainder of this Agreement.

13.5. California Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State of California, without regard to choice of laws principles.

13.6. Construction. This Agreement shall be construed without regard to the Party or Parties responsible for the preparation of the same, and shall be deemed to have been prepared jointly by the Parties hereto. Any ambiguity or uncertainty existing herein shall not be interpreted against either Party, but according to the application of other rules of contract interpretation, if an ambiguity or uncertainty exists.

13.7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, representatives, successors, attorneys, agents and assigns.

13.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original and such counterparts

shall together constitute one and the same agreement. The Agreement may be executed by signature via facsimile transmission which shall be deemed the same as an original signature.

13.9. No Benefit to Non-Settling Parties. Except as expressly provided herein, this Agreement shall not confer any right or benefit upon or release from liability any person who is not a Party to this Agreement.

13.10. Jurisdiction. Judge Florence-Marie Cooper of the United States District Court for the Central District of California, or her successor, shall retain jurisdiction over this action solely for the purpose of resolving any disputes that may arise regarding this Agreement, including any action to enforce the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

GARY HARRIS

SUSAN HAGGERTY

PING YU

Atty for Luther Rabb & wife
LUTHER RABB

MEDHAT ELSADANI

DEAN LANE

JOAN MOXLEY-BROWN

[SIGNATURES ON NEXT PAGE]

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SUSAN HAGGERTY

PING YU

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MEDHAT ELSADANI

DEAN LANE




JOAN MOXLEY-BROWN

[SIGNATURES ON NEXT PAGE]

SCANNED

MARY PHONG

LOS ANGELES COALITION TO END HUNGER
AND HOMELESSNESS

By: 
BOB ERLENBUSCH,
Executive Director

FAMILIES AIMING TO IMPROVE
THEIR HEALTHCARE

By: _____
OFELIA CHEVAS,
President

BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES

By: OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, COUNTY COUNSEL

LEELA ANN KAPUR
Senior Assistant County Counsel

LOS ANGELES COUNTY DEPARTMENT OF
HEALTH SERVICES

By: _____
THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

[SIGNATURES ON NEXT PAGE]

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FAMILIES AIMING TO IMPROVE
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By: Ofelia Cuevas
OFELIA CHEVAS,
President

BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES

By: OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, COUNTY COUNSEL

LEELA ANN KAPUR
Senior Assistant County Counsel

LOS ANGELES COUNTY DEPARTMENT OF
HEALTH SERVICES

By: THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

[SIGNATURES ON NEXT PAGE]

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AND HOMELESSNESS

By: _____
BOB ERLENBUSCH,
Executive Director

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OFELIA CUEVAS,
President

BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES

By: OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, COUNTY COUNSEL

By: Leela Kapur
LEELA ANN KAPUR
Senior Assistant County Counsel

LOS ANGELES COUNTY DEPARTMENT OF
HEALTH SERVICES

By: Thomas L. Garthwaite
THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

Thomas L. Garthwaite
THOMAS L. GARTHWAITE, M.D.,
Director and Chief Medical Officer of the Los Angeles
County Department of Health Services

[SIGNATURES ON NEXT PAGE]

SCANNED

APPROVED AS TO FORM AND CONTENT:

CHRISTENSEN, MILLER, FINK, JACOBS,
GLASER, WEIL & SHAPIRO, LLP

By: Alisa Morgenthaler Lever
ALISA MORGENTHALER LEVER
Attorneys for Defendants Board of Supervisors of the
County of Los Angeles, Los Angeles County
Department of Health Services and Thomas L.
Garthwaite, M.D.

OFFICE OF THE COUNTY COUNSEL,
RAYMOND G. FORTNER, COUNTY COUNSEL

By: Leela Kapur
LEELA ANN KAPUR
Attorneys for Defendants Board of Supervisors of the
County of Los Angeles, Los Angeles County
Department of Health Services and Thomas L.
Garthwaite, M.D.

LEGAL AID FOUNDATION OF LOS ANGELES

By: _____
SILVIA R. ARGUETA, ESQ.
Attorneys for Plaintiffs Gary Harris, Susan Haggerty,
Ping Yu, Luther Rabb, Medhat Elsadani, Dean Lane,
Joan Moxley-Brown, Mary Phong, Los Angeles Coalition
to End Hunger and Homelessness, and Families Aiming to
Improve Their Healthcare (F.A.I.T.H.)

[SIGNATURES ON NEXT PAGE]

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APPROVED AS TO FORM AND CONTENT:

CHRISTENSEN, MILLER, FINK, JACOBS,
GLASER, WEIL & SHAPIRO, LLP

SCANNED

By:

ALISA MORGENTHAUER LEVER
Attorneys for Defendants Board of Supervisors of the
County of Los Angeles, Los Angeles County
Department of Health Services and Thomas L.
Garthwaite, M.D.


OFFICE OF THE COUNTY COUNSEL,
RAYMOND G. FORTNER, COUNTY COUNSEL

By:

LEELA ANN KAPUR
Attorneys for Defendants Board of Supervisors of the
County of Los Angeles, Los Angeles County
Department of Health Services and Thomas L.
Garthwaite, M.D.

LEGAL AID FOUNDATION OF LOS ANGELES

By:


SILVIA R. ARGUETA, ESQ.
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Ping Yu, Luther Rabb, Medhat Elsadani, Dean Lane,
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to End Hunger and Homelessness, and Families Aiming to
Improve Their Healthcare (F.A.I.T.H.)

[SIGNATURES ON NEXT PAGE]

SCANNED

NEIGHBORHOOD LEGAL SERVICES OF
LOS ANGELES COUNTYBy: Barbara Siegel
BARBARA SIEGEL, ESQ.Attorneys for Plaintiffs Gary Harris, Susan Haggerty,
Ping Yu, Luther Rabb, Medhat Elsadani, Dean Lane,
Joan Moxley-Brown, Mary Phong, Los Angeles Coalition
to End Hunger and Homelessness, and Families Aiming to
Improve Their Healthcare (F.A.I.T.H.)

AMERICAN CIVIL LIBERTIES UNION

By: _____
MARK ROSENBAUM, ESQ.Attorneys for Plaintiffs Gary Harris, Susan Haggerty,
Ping Yu, Luther Rabb, Medhat Elsadani, Dean Lane,
Joan Moxley-Brown, Mary Phong, Los Angeles Coalition
to End Hunger and Homelessness, and Families Aiming to
Improve Their Healthcare (F.A.I.T.H.)

ALSCHULER GROSSMAN STEIN & KAHAN LLP

By: _____
MARK A. NEUBAUER, ESQ.Attorneys for Plaintiffs Los Angeles Coalition To
End Hunger and Homelessness; and Families Aiming
To Improve Their Health Care (F.A.I.T.H.)

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Susan McLoughlin

AGSK LLP

Page 2

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NEIGHBORHOOD LEGAL SERVICES OF
LOS ANGELES COUNTY

By:

BARBARA SIEGEL, ESQ.

Attorneys for Plaintiffs Gary Harris, Susan Haggerty,
Ping Yu, Luther Rabb, Medhat Elsadani, Dean Lane,
Joan Moxley-Brown, Mary Phong, Los Angeles Coalition
to End Hunger and Homelessness, and Families Aiming to
Improve Their Healthcare (F.A.I.T.H.)

AMERICAN CIVIL LIBERTIES UNION

By

Mark Rosenbaum

MARK ROSENBAUM, ESQ.

Attorneys for Plaintiffs Gary Harris, Susan Haggerty,
Ping Yu, Luther Rabb, Medhat Elsadani, Dean Lane,
Joan Moxley-Brown, Mary Phong, Los Angeles Coalition
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ALSCHULER GROSSMAN STEIN & KAHAN LLP

By:

MARK A. NEUBAUER, ESQ.

Attorneys for Plaintiffs Los Angeles Coalition To
End Hunger and Homelessness; and Families Aiming
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NEIGHBORHOOD LEGAL SERVICES OF
LOS ANGELES COUNTY

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AMERICAN CIVIL LIBERTIES UNION

By

MARK ROSENBAUM, ESQ.

Attorneys for Plaintiffs Gary Harris, Susan Haggerty,
Ping Yu, Luther Rabb, Medhat Elsadani, Dean Lane,
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ALSCHULER GROSSMAN STEIN & KAHAN LLP

By:

Mark A. Neubaum

MARK A. NEUBAUER, ESQ.

Attorneys for Plaintiffs Los Angeles Coalition To
End Hunger and Homelessness; and Families Aiming
To Improve Their Health Care (F.A.I.T.H.)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

SCANNED

I am employed in the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is: **5228 Whittier Blvd., Los Angeles, CA 90022-4013.**

On December 20, 2005 I served the foregoing document: **STIPULATED ORDER OF DISMISSAL WITHOUT PREJUDICE** on the interested parties in this action, by placing a true copy thereof, enclosed in a sealed envelope and mailing same at Los Angeles, California, addressed as follows:

See Attached Service List

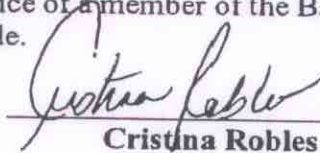
- (XX) **BY MAIL:** I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business.
- () **BY PERSONAL SERVICE:** I caused such envelope(s) to be delivered by hand by Law In Motion to the office(s) of the addressee(s) marked with a ***. (Said Proof of Service by Hand Delivery to be filed with the court.)
- () **BY FEDERAL EXPRESS:** I caused said envelope(s) to be sent by Federal Express to the address(s) marked with a +++.
- () **BY TELECOPIER:** In addition to the above service by mail, hand delivery or Federal Express, I caused said document(s) to be transmitted by telecopier at approximately () A.M./P.M. to the address(s) marked with a ^^.

Executed on December 20, 2005 at Los Angeles, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

/XX/ STATE I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

/ / FEDERAL I declare under penalty of perjury that the foregoing is true and correct, and that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.


Cristina Robles

Service List

SCANNED

Patricia L. Glaser
Alisa Morgenthaler Lever
CHRISTENSEN, MILLER, FINK, JACOBS
GLASER, WEIL & SHAPIRO, LLP
10250 Constellation Boulevard, 19th Floor
Los Angeles, CA 90067

Lloyd W. Pellman
Roberta M. Fesler
Leela A. Kapur
Sharon A. Reichman
648 Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, CA 90012

1 ALSCHULER GROSSMAN STEIN & KAHAN LLP
2 Mark A. Neubauer (No. 73728)
3 Meredith M. Moss (No. 185357)
4 The Water Garden
5 1620 26th Street
6 Fourth Floor, North Tower
7 Santa Monica, CA 90404-4060
8 Telephone: 310-907-1000
9 Facsimile: 310-907-2000
10 (See attached page ii for Co-Counsel)
11 Attorneys for Plaintiffs

8 UNITED STATES DISTRICT COURT

9 CENTRAL DISTRICT OF CALIFORNIA

11 GARY HARRIS, an individual; SUSAN
12 HAGGERTY, an individual; PING YU,
13 an individual; LUTHER RABB, an
14 individual; MEDHAT ELSADONI, an
15 individual; DEAN LANE, an individual;
16 JOAN MOXLEY-BROWN, an
17 individual; JAMAL JOHNSON, an
18 individual; MARY PHONG, an
19 individual; LOS ANGELES COALITION
20 TO END HUNGER AND
21 HOMELESSNESS and FAMILIES
22 AIMING TO IMPROVE THEIR
23 HEALTH CARE (F.A.I.T.H.)

18 Plaintiffs,
19 vs.

20 BOARD OF SUPERVISORS OF THE
21 COUNTY OF LOS ANGELES; LOS
22 ANGELES COUNTY DEPARTMENT
23 OF HEALTH SERVICES; DR.
24 THOMAS GARTHWAITE, Director of
25 Department of Health Services; et al. and
26 DOES 1 through 100, inclusive.

24 Defendants.

Case No. CV 03 2008 FMC (PJWx)

**STIPULATED ORDER OF
DISMISSAL WITHOUT
PREJUDICE**

Honorable Florence Marie Cooper

1 BARBARA SIEGEL, Bar No. 169209
2 NEIGHBORHOOD LEGAL SERVICES OF
3 LOS ANGELES COUNTY
4 13327 Van Nuys Blvd.
5 Pacoima, CA 91331
6 Telephone: 818-492-5222
7 Facsimile: 818-896-6647

8 YOLANDA ARIAS, SBN 130025
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10 SILVIA R. ARGUETA, SBN 144400
11 LEGAL AID FOUNDATION OF
12 LOS ANGELES
13 5228 Whittier Boulevard
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17 MARK ROSENBAUM, Bar No. 59940
18 CLARE PASTORE, Bar No. 135933
19 AMERICAN CIVIL LIBERTIES UNION
20 1616 Beverly Blvd.
21 Los Angeles, CA 90026
22 Telephone: 213-977-9500
23 Facsimile: 213-250-3919

24 GIL DEFORD
25 CENTER FOR MEDICARE ADVOCACY, INC
26 P. O Box 350
27 Willimantic, CT 06226
Telephone: 860-456-7790
Facsimile: 860-456-2614

1 STIPULATED ORDER OF DISMISSAL WITHOUT PREJUDICE

2
3 Based upon the Settlement Agreement ("Agreement") attached as Appendix
4 1 to this order, by and between (i) Luther Rabb, Medhat ElSadani, Joan Moxley-
5 Brown, Mary Phong, Los Angeles Coalition to End Hunger and Homelessness, a
6 non-profit charitable corporation, and Families Aiming to Improve their Health
7 Care, an unincorporated membership organization (collectively, "Plaintiffs"), on
8 the one hand; and (ii) Board of Supervisors of the County of Los Angeles
9 ("Board"), Los Angeles County Department of Health Services ("DHS") and
10 Thomas L. Garthwaite, M.D., Director and Chief Medical Officer of the DHS, on
11 the other hand (collectively "County Defendants");

12
13 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS**
14 **FOLLOWS:**

15 1. This Court has jurisdiction over the claims against the County
16 Defendants pursuant to 28 U.S.C. §§ 1331, 1343 and 1367. Venue is proper in this
17 Court pursuant to 28 U.S.C. § 1391(b).

18 2. Because of the Agreement, all claims against the County Defendants
19 are hereby dismissed without prejudice pursuant to Rule 41(a)(1)(ii) of the Federal
20 Rules of Civil Procedure.

21 3. This Court expressly retains jurisdiction of this action solely to
22 resolve any dispute that may arise regarding the Agreement, including any action
23 to enforce the terms of the Agreement.

24 4. This Order shall not be construed to constitute or be deemed a consent
25 decree.

1 5. The County of Los Angeles shall pay Plaintiffs' counsel a total of
2 Four Hundred Fifty-One Thousand Twenty-Eight Dollars and Sixty-Four Cents
3 (\$451,028.64) in attorneys' fees and costs as set out in paragraph 13.2 of the
4 settlement agreement within 5 days of Notice of Entry of the Stipulated Order of
5 Dismissal Without Prejudice.

6
7 So stipulated:

8 DATED: December 20, 2005


ALSCHULER, GROSSMAN, STEIN &
KAHAN LLP

9
10
11 By: _____
12 MARK A. NEUBAUER

13 Attorneys for Plaintiffs Los Angeles
14 Coalition to End Hunger and Homelessness,
15 and Families Aiming to Improve Their
16 Healthcare

16 DATED: December 20, 2005

LEGAL AID FOUNDATION OF LOS
ANGELES

17
18
19 By:  _____
20 SILVIA R. ARGUETA

21 Attorneys for Plaintiffs Luther Rabb,
22 Medhat Elsadoni, Joan Moxley-Brown,
23 Mary Phong, Los Angeles Coalition to End
24 Hunger and Homelessness, and Families
25 Aiming to Improve Their Healthcare
26
27

1 DATED: December 20, 2005

CHRISTENSEN, MILLER, FINK,
JACOBS, GLASER, WEIL & SHAPIRO,
LLP

3 By: ALISA MORGENTHALER LEVER
4 Attorneys for Defendants Board of
5 Supervisors of the County of Los Angeles,
6 Los Angeles County Department of Health
7 Services and Thomas L. Garthwaite, M.D.

8 **ORDER**

9 Based upon the foregoing stipulation and good cause appearing therefore,
10 IT IS SO ORDERED.

11 Dated: December _____, 2005

12 The Honorable Florence-Marie Cooper
13 United States District Court Judge

1 5. The County of Los Angeles shall pay Plaintiffs' counsel a total of
2 Four Hundred Fifty-One Thousand Twenty-Eight Dollars and Sixty-Four Cents
3 (\$451,028.64) in attorneys' fees and costs as set out in paragraph 13.2 of the
4 settlement agreement within 5 days of Notice of Entry of the Stipulated Order of
5 Dismissal Without Prejudice.

6
7 So stipulated:

8 DATED: December 20, 2005

ALSCHULER, GROSSMAN, STEIN &
KAHAN LLP

11
12 By: Mark Neubauer

MARK A. NEUBAUER

13 Attorneys for Plaintiffs Los Angeles
14 Coalition to End Hunger and Homelessness,
15 and Families Aiming to Improve Their
16 Healthcare

16 DATED: December 20, 2005

LEGAL AID FOUNDATION OF LOS
ANGELES

19
20 By: _____

SILVIA R. ARGUETA

21 Attorneys for Plaintiffs Luther Rabb,
22 Medhat Elsadoni, Joan Moxley-Brown,
23 Mary Phong, Los Angeles Coalition to End
24 Hunger and Homelessness, and Families
25 Aiming to Improve Their Healthcare
26
27

1 DATED: December 20, 2005

2 CHRISTENSEN, MILLER, FINK,
3 JACOBS, GLASER, WEIL & SHAPIRO,
4 LLP

5 By: Alisa Morgenthaler Lever
6 ALISA MORGENTHALER LEVER
7 Attorneys for Defendants Board of
8 Supervisors of the County of Los Angeles,
9 Los Angeles County Department of Health
10 Services and Thomas L. Garthwaite, M.D.

11 ORDER

12 Based upon the foregoing stipulation and good cause appearing therefore,
13 IT IS SO ORDERED.

14 Dated: December ____, 2005

15 _____
16 The Honorable Florence-Marie Cooper
17 United States District Court Judge
18
19
20
21
22
23
24
25
26
27

Appendix 1

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE (hereinafter "Agreement") is made and entered into as of August 2005 by and between (i) Gary Harris, Susan Haggerty, Ping Yu, Luther Rabb, Medhat ElSadani, Dean Lane, Joan Moxley-Brown, Mary Phong, Jamal Johnson, Los Angeles Coalition to End Hunger and Homelessness, a non-profit charitable corporation, and Families Aiming to Improve their Health Care, an unincorporated membership organization (collectively, "Plaintiffs"), on the one hand; and (ii) Board of Supervisors ("Board") of the County of Los Angeles ("County"), Los Angeles County Department of Health Services ("DHS") and Thomas L. Garthwaite, M.D., Director and Chief Medical Officer of the DHS, on the other hand ("Defendants"). Any reference in this Agreement to a "Party" or the "Parties" shall refer to a party or the parties to this Agreement as set forth hereinabove.

WHEREAS, Plaintiffs filed an action against Defendants on March 12, 2003 in the United States District Court, Central District of California, Case No. CV 03 2008 FMC (PJWx), which action was amended on August 1, 2003 ("the Complaint"), alleging that the Defendants' proposals to close Rancho Los Amigos National Rehabilitation Center ("Rancho") and reduce 100 beds at LAC-USC Medical Center ("LAC-USC") violated several provisions of the California Welfare & Institutions Code, the Americans with Disabilities Act and patient discharge planning provisions of the Federal Medicaid Act, among other laws; and

WHEREAS, on June 4, 2003, the District Court entered a Preliminary Injunction Order which, *inter alia*, enjoined the Defendants:

"1. From reducing the number of beds at LAC-USC Medical Center or closing or reducing the level of inpatient or outpatient care or other medical services at Rancho Los Amigos, or from taking any steps to accomplish those ends; 2. From taking any steps to limit the referral and transfer of patients from other clinics and hospitals in and outside the County system to Rancho Los Amigos or LAC-USC Medical Center; 3. From failing to restore appointments for those who had their outpatient appointments at Rancho Los Amigos cancelled or declined in anticipation of closure or a reduction in medical services; 4. From failing to accept patient transfers or admissions of indigent patients who were previously declined in anticipation of Rancho Los Amigos' closure or service reductions at Rancho Los Amigos or LAC-USC[;]"

WHEREAS, on April 27, 2004, the United States Court of Appeals for the Ninth Circuit affirmed the Preliminary Injunction in a published opinion entitled Harris v. Board of Supervisors, 366 F.3d 754 (9th Cir. 2004);

WHEREAS, Defendants deny the essential allegations of the above-described action and deny that they are liable or obligated to Plaintiffs in any way whatsoever;

WHEREAS, Defendants project that construction of the LAC-USC Medical Center replacement project will be completed in Spring 2007 and that the facility will be fully operational in September 2007; and

WHEREAS, in order to avoid the expense and uncertainty of further litigation, the Parties desire to fully and amicably resolve the dispute that gave rise to the filing of the action, and otherwise effect a full and complete settlement of any and all matters which have arisen between them; and

NOW, THEREFORE, in consideration of these premises and the conditions and covenants hereinafter set forth, and other good and valuable consideration, the Parties hereto agree as follows:

1. Commitments by Defendants Regarding LAC-USC. Defendants agree to operate LAC-USC in accordance with the following provisions. Except as provided in Paragraph 1.c. below, these obligations shall remain in effect for four (4) years from the date this Agreement is fully executed.

- a. The County shall provide Plaintiffs' counsel quarterly workload reports no later than forty-five (45) days after the expiration of the preceding quarter (e.g., information shall be provided no later than April 30, 2006, for the quarter covering January 1 through March 31, 2006). The quarterly workload reports shall be in a form verifiable to an outside auditor. The quarterly workload reports provided to Plaintiffs' counsel shall include all of the categories of information contained in Exhibit 1 to this Agreement. A true and correct copy of the Department of Health Services' Hospital Workload Detail by Month, Fiscal Year 2004-05, is attached hereto as Exhibit 1.
- b. The County shall provide Plaintiffs' counsel with yearly workload reports for LAC-USC no later than forty-five (45) days after they are generated. The workload reports shall contain the categories of information contained in Exhibit 2 to this Agreement. A true and correct copy of the Department of Health Services' Workload Detail by Year for LAC-USC, Fiscal Year 2004-05, is attached hereto as Exhibit 2.
- c. For a period of two (2) years after the opening of the newly-constructed LAC-USC replacement facility (the "LAC-USC Replacement Facility"), the County shall provide Plaintiffs' counsel with written notice of any reduction of beds and/or services (excluding non-budgetary, temporary, non-recurring reductions), indicating the facility, the scope of the reduction and the number of persons, if any, who will be affected or impacted by the reduction. Such notice shall be provided in writing not less than ninety (90) days prior to the reduction. The foregoing provision does not affect Defendants' obligations under the Beilenson Act.

1.1. Defendants shall budget and in good faith staff for a bed capacity at LAC-USC permitting at least 40,000 inpatient admissions annually (2004 level of admissions).

1.2. Upon execution of this Agreement, Defendants shall budget and in good faith staff at least fifty (50) inpatient psychiatry beds for LAC-USC patients. These fifty (50)

inpatient psychiatric beds are in addition to the six hundred (600) beds at the LAC-USC Replacement Facility for a total of six hundred fifty (650) beds as set forth in Paragraphs 1.4 and 1.5. In exchange for this commitment of at least fifty (50) inpatient psychiatric beds, Defendants may immediately commence the reduction of up to twenty-five (25) beds at LAC-USC from the existing seven hundred forty-five (745) beds.

1.3. In order to implement any bed reduction allowed under the terms of Paragraphs 1.4 and 1.5 below, LAC-USC must maintain a median non-psychiatric Emergency Department Boarding Time which is below seven (7) hours as determined by the County's Auditor-Controller. Said determinations by the County's Auditor-Controller shall be provided to Plaintiffs' Counsel in the manner specified in Paragraph 12.2 herein. Plaintiffs shall have the right to confirm said conclusion or finding, and Defendants shall comply with all reasonable requests for information (excluding patient-identifying information) and documents from Plaintiffs to enable Plaintiffs to confirm Defendants' conclusions. For the purposes of this provision, the term "Emergency Department Boarding Time" shall be defined as the time from the physician writing the order to admit until the patient is placed in an inpatient bed in a receiving service or unit pursuant to medical judgment. The County shall provide Plaintiffs with quarterly Emergency Department boarding time reports no later than thirty (30) days after the expiration of the preceding quarter (e.g., information shall be provided no later than April 30, 2006, for the quarter covering January 1 through March 31, 2006).

1.4. In addition to the bed reduction provided for under Paragraph 1.2 above, Defendants will be entitled to reduce thirty-five (35) staffed (non-psychiatric) beds at LAC-USC for each reduction of 0.3 days in the Average Length of Stay ("ALOS") of patients at LAC-USC which is achieved below 6.5 days. For purposes of this provision, ALOS shall include the ALOS for all inpatients at LAC-USC and any reference to a 90-day ALOS means the Quarterly ALOS. Each reduction of ALOS of at least 0.3 days must be in place for at least ninety (90) days as determined by the County's Auditor-Controller before Defendants may implement the accompanying bed reduction. Any conclusion or finding by the County's Auditor-Controller that a reduction in ALOS has been achieved which would entitle Defendants to implement a bed reduction shall be provided to Plaintiffs' counsel in the manner specified in Paragraph 12.2 herein. Following any bed reduction made pursuant to this Paragraph 1.4, should the ALOS then increase by 0.2 days or more for a period of ninety (90) days, no further bed reductions may take place unless and until the increase of 0.2 days or more is eliminated and maintained for forty-five (45) days and a further reduction of 0.3 days is achieved and maintained for ninety (90) days. Plaintiffs shall have the right to confirm the ALOS and all conclusions or findings under this Paragraph, and Defendants shall comply with all reasonable requests from Plaintiffs for information (excluding patient-identifying information) and documents to enable Plaintiffs to confirm Defendants' conclusions.

1.5. Following the transfer of the operations of LAC-USC from its current facilities to the LAC-USC Replacement Facility, Defendants will budget and in good faith staff at least six hundred (600) inpatient beds at the LAC-USC Replacement Facility, plus the fifty (50) inpatient psychiatric beds referenced in Paragraph 1.2 above, for a minimum total of six hundred fifty (650) inpatient beds which Defendants must budget for and in good faith staff. The number of inpatient beds the County shall provide in addition to these six hundred fifty (650) inpatient beds shall be determined by the reductions in ALOS as set forth in Paragraph 1.4

above. The reduction of beds from the current seven hundred forty-five (745) inpatient beds at LAC-USC to six hundred fifty (650) beds in the LAC-USC Replacement Facility must be achieved gradually through the means described in Paragraph 1.4.

1.6. Upon the execution by all parties of this Agreement, Defendants shall implement a patient tracking system (manual or otherwise) to track the Emergency Department Boarding Time as defined in Paragraph 1.3. Defendants further shall record the time a patient is registered in the Emergency Department and the time the patient either is discharged from the Emergency Department or is admitted to the hospital. Defendants also shall install an electronic patient tracking system that includes operational time stamps in the Emergency Department of the LAC-USC Replacement Facility. The electronic patient tracking system in the LAC-USC Replacement Facility shall monitor the Emergency Department Boarding Time as defined in Paragraph 1.3 and track wait times in the Emergency Department from the time a patient is registered until the patient either is discharged from the Emergency Department or admitted to the hospital which are eight (8) hours or longer. Defendants shall provide the Emergency Department Boarding Time in the current LAC-USC facility and the LAC-USC Replacement Facility, and the wait times referenced above in the LAC-USC Replacement Facility, to Plaintiffs' counsel on a quarterly basis no later than thirty (30) days after the expiration of the preceding quarter (e.g., information shall be provided no later than April 30, 2006, for the quarter covering January 1 through March 31, 2006).

1.7. Within fourteen (14) days of the date this Agreement is fully executed, Defendants shall increase the average supply of chronic prescription drugs provided for patients at LAC-USC to ninety (90) days unless medical judgment decrees otherwise.

1.8. Each Surgery, Cardiology, Medicine, Orthopedics, Diabetes, Gastrointestinal, Endocrinology, Neurology and Rheumatology Clinic located at the outpatient clinics at LAC-USC and the comprehensive health centers which are part of the LAC-USC Healthcare Network (the "Comprehensive Health Centers") will provide one (1) new open appointment slot per doctor per each clinic day the above-mentioned clinics schedule appointments, up to a maximum of five (5) additional appointments per clinic per day, within thirty (30) days of the date this Agreement is fully executed. These appointments shall be available for direct referrals from LAC-USC's Emergency Department, the Comprehensive Health Centers and the DHS' Public-Private Partnership Program providers in the LAC-USC catchment area. In the event a clinic has fewer than five (5) doctors, and therefore fewer than five (5) new open appointment slots are required to be added under this Paragraph, existing appointment slots shall be dedicated to the direct referrals described above to make up the difference, for a total of five (5) appointment slots (whether new or existing) dedicated to referrals from the sources described in this Paragraph 1.8.

1.9. Within six (6) months of the date this Agreement is fully executed, Defendants shall budget at least \$12 million and provide Plaintiffs' counsel with an operating plan for, and commence operation of, a center at LAC-USC for the direct referral of patients from LAC-USC's Emergency Department which is modeled after the Harbor/UCLA Primary Care Diagnostic Center (the "LAC-USC Primary Care Diagnostic Center"). The operating plan for the LAC-USC Primary Care Diagnostic Center will indicate the scope of services to be provided by the center and the volume of patients it is expected to serve.

1.10. Within eighteen (18) months of the date this Agreement is fully executed, Defendants shall develop a contingency plan which they shall timely implement if they should fail to meet the terms set forth in Paragraphs 1.1-1.5 hereof. The terms of such contingency plan may include the use of available beds at other acute hospitals and exploration with appropriate authorities of the maintenance of some inpatient services at the current LAC-USC. A copy of the contingency plan shall be provided to Plaintiffs' counsel in the manner specified in Paragraph 12.2 herein.

2. Commitments By Defendants Regarding Rancho.

2.1. The County shall negotiate in good faith with entities interested in taking over Rancho and/or the core rehabilitation services provided by Rancho. The County shall assemble a dedicated team to oversee such negotiations.

2.2. The County shall advise Plaintiffs' counsel about the progress of the negotiations and about any barriers to reaching an agreement ("Takeover Agreement") with an entity to take over Rancho. The County shall provide counsel for Plaintiffs with quarterly updates on the status of any such negotiations.

2.3. For purposes of this Agreement only, the term "indigent" shall mean and include those individuals who (a) reside in Los Angeles County, and either (b) meet the income and resource eligibility requirements for Medi-Cal but do not fall into specified Medi-Cal eligibility criteria categories, or (c) have income below 200% of the Federal Poverty Level.

2.4. The County shall ensure that any Takeover Agreement requires the takeover entity to continue the mission of Rancho as a catastrophic rehabilitation hospital. The Takeover Agreement shall require the takeover entity to accept for treatment eligible County indigent and Medi-Cal rehabilitation inpatients and outpatients pursuant to catastrophic injuries, illnesses and related medical services admissions protocols in place at Rancho in the year prior to any takeover and shall further require the County to compensate the takeover entity at a competitive rate within industry norms for catastrophic rehabilitation hospitals. To the extent that Rancho lacks available beds or patient appointment outpatient slots for eligible County indigent rehabilitation patients who otherwise would be accepted under the above-mentioned admissions protocols, the County has the obligation of referring and paying for those patients to be treated at a rehabilitation facility with the appropriate Commission for Accreditation of Rehabilitation Facilities ("CARF") accreditation until such time as a bed or patient appointment outpatient slot at Rancho becomes available.

2.5. The County shall provide an opportunity for Plaintiffs' counsel to review and comment on the provisions in the Takeover Agreement relating to continued access to Rancho's inpatient and outpatient services by eligible County indigent and Medi-Cal rehabilitation patients. The County shall send any Takeover Agreement to Plaintiffs' counsel for their review and comment at least thirty (30) days before such agreement is submitted to the Board for approval or is executed, whichever is sooner.

2.6. The County shall operate Rancho at a total of one hundred sixty-two (162) available beds (budgeted Average Daily Census ("ADC") of one hundred forty-six (146) beds)

with the complement of core rehabilitation services (clinical rehabilitation services as outlined in the Gill/Balsano report and the rehabilitation and related services¹ listed in the County's 7/18/2003 Feasibility Report ("Core Rehabilitation Services")) and the budgeted-for outpatient services that support the Core Rehabilitation Services as set out in the County's 7/18/2003 Feasibility Report plus outpatient services to support the ortho-diabetes and arthritis services at approximately the March 2005 level unless and until the take-over entity begins operating Rancho. A true and correct copy of the County's 7/18/2003 Feasibility Report is attached hereto as Exhibit 3 and incorporated herein by this reference. The County's operation of Rancho includes the CART (Center for Applied Rehabilitation Technology), the Pathokinesiology Laboratory and the Vocational Rehabilitation and Drivers' Training Program. Rancho shall continue to treat persons with the diagnosis of postpolio syndrome.

2.7. The County shall fund twelve (12) beds at Rancho (included in the one hundred sixty-two (162) available bed commitment in Paragraph 2.6 above) to continue to provide its ortho-diabetes and arthritis services. Additionally, the outpatient services provided to the ortho-diabetes and arthritis patients must be maintained at the same level existing as of March 18, 2005, with respect to both the types of outpatient services provided as well as the number of outpatients served. The foregoing twelve (12)-bed commitment and commitments regarding outpatient services must be maintained, whether at Rancho or, in the event of a takeover or closure of Rancho, elsewhere in the County system, for a period of three (3) years from the date this Agreement is executed. At the end of those three (3) years, the County must continue to provide ortho-diabetes and arthritis patients with the same level of inpatient and outpatient services and clinics existing at Rancho as of March 18, 2005, whether at Rancho or at another County facility, for an additional three (3) years, and the budget of the County facility receiving those patients shall be increased to cover the cost of providing these services.

2.8. County hospitals that admit patients who require chronic intravenous ("IV") antibiotic treatment services shall no longer be required to transfer them to Rancho.

2.9. To offset the increased demand on the beds at LAC-USC for those patients who require chronic IV antibiotic treatment and who shall no longer be transferred to Rancho (ADC at Rancho of 2.4 patients), Rancho shall direct admit from the LAC-USC emergency room ortho-diabetes patients up to a projected daily census averaging 2.0 patients on an annual basis.

2.10. The County may operate Rancho under the license of LAC-USC if it elects to do so as long as it does not interfere with future Medi-Cal revenue.

2.11. a. The County shall provide medically necessary health care, on an inpatient and outpatient basis, to eligible County indigent and Medi-Cal patients with liver disease who would otherwise have received such care at Rancho's former liver service ("Liver Patients").

b. The County shall provide inpatient care to the Liver Patients at County facilities which have a full-time gastrointestinal consult service.

¹ Adult Brain Injury, Spinal Cord Injury, Major Multiple Trauma, Pediatrics, Neurology, Stroke, Gerontology, Pressure Ulcer Management, Rehab Related Medical Surgeries, Intensive Care Unit ("ICU") and two (2) Operating Rooms.

c. The County shall provide outpatient care to the Liver Patients by at least continuing to operate liver and hepatitis outpatient clinics in the LAC-USC Healthcare Network at the same level as they were operated at Roybal and LAC-USC (as measured by average visits per month) as of March 2005. Medical staff at the liver clinics shall have direct admitting privileges at County hospitals.

d. The County shall provide outpatient care that is designed to limit or prevent the hospitalization or repeat hospitalization of the Liver Patients.

e. The County shall include the Liver Patients into a case management system.

f. The County shall monitor all current patients registered in the liver clinics at Roybal and LAC-USC beginning as soon as practical, for the following indicators:

- (1) What is the Emergency Department boarding time and waiting time for hospital admission for patients from the clinics who require acute inpatient care (i.e., time for patient referred from clinic to be admitted to a hospital bed)?
- (2) What is the readmission rate for these patients?
- (3) What percentage of the patients continue to maintain the same principal source of care?
- (4) When admitted for acute care, which hospitals are used?

2.12. The Medical Director of the DHS, the Medical Director of LAC-USC and the Medical Executive Committee of LAC-USC shall review the results of the above-mentioned monitoring semi-annually and shall provide said results without patient-identifying information to Plaintiffs' counsel. Upon submission of the results to the Medical Executive Committee of LAC-USC, the Medical Director of LAC-USC shall send a written confirmation to Plaintiffs' counsel, as designated in Paragraph 12.2 herein, attesting to the fact that the results have been submitted to the Medical Executive Committee of LAC-USC.

2.13. In the event the above-mentioned data in Paragraph 2.11 above reveal that the Liver Patients are not receiving medically necessary health care, the County shall implement additional measures to ensure that these patients will receive medically necessary health care for their liver disease.

2.14. Except as otherwise provided herein, the County shall operate Rancho under the standards cited in Paragraphs 2.6-2.13 above for a period of three (3) years from the date this Agreement is executed by all Parties ("Three Year Period").

2.15. During the Three Year Period, the County shall pursue with due diligence (as defined in Paragraph 2.16 below) a buyer and/or operator and/or the establishment and operation of an Internal Revenue Code section 501(c)(3) corporation to take over Rancho and

shall use its best efforts to implement measures to improve Rancho's operations so that the facility operates in the most efficient and economical manner practicable. Should another entity be willing to take over Rancho, the County shall require that entity to continue to operate Rancho as a comprehensive catastrophic rehabilitation hospital with both inpatients and outpatients. Any transfer shall not diminish Defendants' obligations under this Agreement to the extent such obligations are not extinguished by a transfer under the terms of this Agreement.

2.16. "Due Diligence" shall mean at least the following:

a. A panel ("the Panel") shall be promptly created consisting of Dr. Robert Tranquada (tentative selection) or another person chosen by the Plaintiffs' counsel at any time, and Dean Norman, M.D., or another person chosen by the County at any time. Plaintiffs' Counsel and the County reserve the right to change their Panel designees at any time. The County shall compensate members of the Panel no more than \$225.00 per hour of work fulfilling the obligations set forth in this Agreement provided that the members submit to the County bills reflecting the number of hours and a brief description of the work performed. The County shall also pay the reasonable out-of-pocket costs (excluding travel expenses) incurred by members of the Panel, such costs to be paid in accordance with the County's travel reimbursement policy. Notwithstanding the foregoing, the County shall not be obligated to pay Plaintiff's appointee to the Panel more than \$100,000, plus allowable out-of-pocket expenses, for the performance of his or her duties as a member of the Panel under this Agreement.

b. The County shall fund and retain at least one individual on a full-time basis to pursue the County's duties under Paragraph 2.15 above. The Panel shall approve the full-time individual so retained.

c. The County shall prepare quarterly written reports of its progress to find an entity to take over Rancho as well as its efforts to implement measures to improve Rancho's operations so that the facility operates in the most efficient and economical manner practicable and shall send such reports to the Panel, Plaintiffs' counsel and Defendants' counsel in the manner specified in Paragraph 12 herein. The Panel shall evaluate the quarterly reports and report their evaluation to the Parties.

d. Should the County initiate any of the steps set forth in Paragraph 2.17 below, any member of the Panel who is not licensed to practice medicine shall be replaced with an individual who is licensed to practice medicine.

e. The Panel shall remain in existence for three (3) years and six (6) months from the date this Agreement is fully executed.

2.17. a. If after the end of the Three Year Period, the County has not engaged an entity to assume the responsibility of operating Rancho pursuant to the terms of Paragraphs 2.4 and 2.15 above, the County cannot close Rancho without: (i) holding a hearing under the Beilenson Act; (ii) developing a written plan addressing how those eligible County indigent patients who otherwise would have been admitted to Rancho will instead receive medically necessary rehabilitation services at a facility with the appropriate CARF accreditation; (iii) developing a written discharge plan for each existing indigent, Medi-Cal or Medi-Cal

pending inpatient at Rancho in accordance with applicable law and medically acceptable standards; (iv) developing a written discharge plan for each indigent, Medi-Cal or Medi-Cal pending outpatient at Rancho who is diagnosed with one or more ambulatory care sensitive conditions or a chronic medical condition of clinical significance, during a previous visit, and is not stabilized or has a complex multi-system disorder (e.g., outpatients who use a ventilator and/or who have a diagnosis of postpolio syndrome) in accordance with applicable law, medically acceptable standards and the notification and assistance requirements set forth in DHS's September 11, 2002 memo entitled Check of Actions Related to Redesign Implementation and Attachment 5 thereto (patient triage assessment process) regarding health center closure requirements and the attached patient triage requirements for patient notification, medical records and clinical staff follow-up for the above categories of indigent, Medi-Cal or Medi-Cal pending outpatients; (v) developing referral procedures for all other indigent, Medi-Cal or Medi-Cal pending outpatients at Rancho (not covered by the immediately preceding subparagraph (iv)) in accordance with applicable law and medically acceptable standards; and (vi) arranging for Los Angeles County's California Children's Services (CCS) program to assume responsibility for ensuring that appropriate inpatient and outpatient care are provided to CCS-eligible children who otherwise would have been receiving inpatient and/or outpatient care at Rancho. For purposes of this subparagraph 2.17.a., outpatients include those persons who received an outpatient service at Rancho during the three (3) years prior to the date that work begins on any of the discharge plans identified in this subparagraph. If the Plaintiffs wish to contest any action or inaction under sections (i)-(vi) of this subparagraph as being in violation of this Agreement or the law, the dispute will be resolved in accordance with Paragraph 13.10 below. In any such proceeding, Defendants shall establish that they have met the requirements for closure of Rancho as set forth in this Agreement.

b. If after the end of the Three Year Period, the County decides either to close Rancho or to reduce inpatient or outpatient services at Rancho by twenty-five percent (25%) or more from the levels set out in Paragraphs 2.6 and 2.7 above, the County shall do the following:

- (1) The County shall provide the Panel (if in existence) and Plaintiffs' counsel with copies of the transfer agreements that it has in place at the time it makes any decision to close Rancho or reduce inpatient and outpatient services at Rancho (as described above) for its directly operated trauma centers pursuant to 22 Cal. Code Regs. §§ 100259(d)(4), 100259(e)(2), 100261(d)(3), 100261(e)(2), and 100263(j)(3)(C);
- (2) The County shall provide a written report to the Panel (if in existence) and Plaintiffs' counsel as to the plans the County has developed for: (i) providing inpatient and outpatient rehabilitation services or related medical services to eligible County indigents and Medi-Cal recipients who are impacted by the proposed closure or reduction at other County facilities with appropriate CARF accreditation instead of at Rancho; or (ii) referring eligible County

indigents and Medi-Cal recipients who otherwise would have been referred to Rancho for inpatient and/or outpatient rehabilitation services or related medical services to non-County facilities with the appropriate CARF accreditation in Los Angeles County;

- (3) In developing the above-mentioned written plans, the County shall conduct a survey of CARF accredited facilities that accept Medi-Cal recipients as patients and that provide the same or similar inpatient and outpatient services as provided by Rancho pursuant to Paragraph 2.6 of this Agreement. Based upon the results of this survey, the written report to the Panel (if in existence) and Plaintiffs' counsel shall set forth for each such facility: (i) the different rehabilitation services provided by the facility; (ii) the number of beds that the facility has designated for rehabilitation services, including for catastrophic rehabilitation services and for patients on ventilators, and (iii) the facility's response to the County's inquiry as to whether it would be willing to provide inpatient and/or outpatient rehabilitation services to additional Medi-Cal recipients and, if so, the number of additional Medi-Cal recipients the facility would be willing to accept for inpatient rehabilitation services and for outpatient rehabilitation services.

c. At least seventy-five (75) days prior to giving notice under the Beilenson Act pursuant to this Paragraph, the County shall distribute the plans referenced in paragraphs 2.17.a.(ii)-(iv) and 2.17.b.(2) to the Panel (if in existence) and to Plaintiffs' counsel. Within sixty (60) days after receipt of any of these plans, the Panel (if in existence) shall issue to the Board of Supervisors and Plaintiffs' counsel and Defendants' counsel: (i) a written recommendation as to whether the County's plan ensures that indigent patients shall continue to receive medically appropriate rehabilitation and related services as provided at Rancho as of March, 2005, and as defined in this Agreement and (ii) a written report on the impact of a Rancho closure or reduction that excludes Medi-Cal patients on the ability of these Medi-Cal patients to receive medically necessary rehabilitation and related medical services.

d. Notwithstanding Paragraphs 2.17.b.(1)-(3) and 2.17.c. above, Defendants shall no longer be required to provide the Panel with the written materials covered by Paragraphs 2.17.b.(1)-(3) and 2.17.c. of this Agreement after three (3) years and six (6) months from the date this Agreement is fully executed, but this shall not relieve Defendants of the obligation to provide the written materials required by Paragraphs 2.17.b.(1)-(3) and 2.17.c. to Plaintiff's counsel beyond that time period.

e. If the Plaintiffs wish to assert that the County has breached any of the terms of this Agreement, or that the County's decision to close Rancho or to reduce inpatient or outpatient services at Rancho by twenty-five percent (25%) or more from the levels set out in

Paragraphs 2.6 and 2.7 above otherwise violate the law, the County will not object to the new matter being assigned to the Honorable Florence Marie Cooper.

f. During the Three Year Period, Plaintiffs shall not file or initiate any new legal action against the County as to the matters covered by Paragraphs 2.6-2.11 of this Agreement so long as the County fully complies with the standards cited in Paragraphs 2.6-2.11 of this Agreement during that same period of time. This Agreement is otherwise not intended in any way to limit, impair or affect the rights of Plaintiffs, if any, to challenge within the Three Year Period any: (i) future closure of Rancho; (ii) future transfer of Rancho to a take-over entity; and/or (iii) future reduction in the level of services available at Rancho to indigents and Medi-Cal recipients below those set forth in Paragraphs 2.6, 2.7, 2.9 and 2.11 of this Agreement.

2.18. Information under this Agreement:

a. During the Three Year Period, the County shall provide Plaintiffs' counsel with the information listed below on a quarterly basis no later than thirty (30) days after the expiration of the preceding quarter (e.g., information shall be provided no later than April 30, 2006, for the quarter covering January 1 through March 31, 2006):

b. The monthly census of inpatients and outpatients at Rancho with separate breakdowns by payor source at time of admission (namely, Medi-Cal recipients, Medi-Cal pending, General Relief, self-pay/uninsured and other indigents) and by service (e.g., Pediatrics or Neurology).

c. The monthly census of ortho-diabetes patients directly admitted to Rancho from the LAC-USC emergency room.

2.19. During the last year of the Three Year Period, the County shall provide Plaintiffs' counsel on a quarterly basis a breakdown of the numbers of patients who have been admitted to Rancho by source of referral (i.e., another County hospital or facility, other hospitals, long-term care facilities).

2.20. Additionally, if the County enters into a Takeover Agreement prior to the last quarter of the Three Year Period, the County shall provide Plaintiffs' counsel with the information set out in the immediately preceding subparagraph 2.19 for the three (3) quarters prior to the County's signing of the Takeover Agreement.

3. Dismissal by Plaintiffs. Promptly following the full execution of this Agreement, Plaintiffs shall file the attached Stipulated Order of Dismissal with the United States District Court for the Central District of California, which orders, among other things, the dismissal of this action without prejudice.

4. Release by Plaintiffs. Except for the obligations arising out of this Agreement, Plaintiffs, on behalf of themselves and their successors and assigns, and each of them, does hereby release and absolutely discharge Defendants' and Defendants' officers, directors, agents, attorneys, employees, successors, assigns, subsidiaries and related entities and each of them, of and from any and all claims, demands, damages, debts, liabilities, accounts, actions and causes of action, of every kind and nature whatsoever, whether now known or unknown, suspected or

unsuspected, which Plaintiffs ever had or now have, so that Plaintiffs shall not have any claim of any kind or nature whatsoever on or against the persons or entities herein released, their legal successors and assigns, and each of them, directly and indirectly, on any contract (express or implied in fact or implied in law) or on any supposed liability or thing or act, undertaken, done or omitted to be done, at any time prior to the date hereof, including but not limited to, any and all such claims, demands, debts, liabilities, accounts, actions or causes of action arising from or in connection with the acts referred to in the Complaint, Defendants' proposals to close Rancho or reduce 100 beds at LAC-USC or Defendants' closure or reduction in services at Rancho or LAC-USC as of the date this Agreement is fully executed.

5. Release by Defendants. Except for the obligations arising out of this Agreement, Defendants on behalf of themselves and their successors and assigns, and each of them, does hereby release and absolutely discharge Plaintiffs and Plaintiffs' officers, directors, agents, attorneys, employees, successors, assigns, subsidiaries and related entities and each of them, of and from any and all claims, demands, debts, liabilities, accounts, actions and causes of action of every kind and nature whatsoever, whether now known or unknown, suspected or unsuspected, which Defendants ever had or now has, so Defendants shall not have any claim of any kind or nature whatsoever, on or against the persons or entities herein released, or any of them, directly or indirectly, on any contract (express or implied in fact or implied in law) or on any supposed liability or thing or act undertaken, done or omitted to be done, at any time prior to the date hereof, including but not limited to, any and all such claims, demands, damages, debts, liabilities, accounts, actions or causes of action arising from or in connection with the acts referred to in the Complaint, Defendants' proposals to close Rancho or reduce 100 beds at LAC-USC, or Defendants' closure or reduction in services at Rancho or LAC-USC or any other action taken by Defendants with respect to Rancho or LAC-USC as of the date this Agreement is fully executed.

6. Covenant Not to Sue. Each Party agrees that it will not make, assert or maintain against any person or entity that it has released in this Agreement, any claim, demand, action, suit or proceeding arising out of or in connection with the matters herein released. The foregoing shall not prevent any Party from bringing an action or other proceeding to enforce the terms of this Agreement.

7. No Assignment of Released Claims. Each Party to this Agreement represents and warrants that it has not heretofore assigned or transferred or purported to transfer or assign to any person, firm or corporation, any matter herein released. Each Party agrees to indemnify and hold harmless the other against any claim, demand, damage, debt, liability, account, action or cause of action, cost or expense, including attorneys' fees actually paid or incurred, arising out of or in connection with any such transfer or assignment, or purported or claimed transfer or assignment.

8. Release of Unknown Claims. Each Party acknowledges that it has been informed and is aware of the provisions of Section 1542 of the Civil Code of the State of California, and does expressly waive and relinquish all rights and benefits which it has or may have had under said section, which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of

executing the release, which if known by him, must have materially affected his settlement with the debtor."

Each Party acknowledges that it is aware that it may hereafter discover facts different from or in addition to those it now knows or believes to be true with respect to the matters herein released, and it agrees that these releases shall be and remain in effect in all respects as complete and general releases as to the matters released, notwithstanding any such different or additional facts.

9. Independent Legal Advice. Each of the Parties to this Agreement does hereby warrant, represent and agree that in executing this document it does so with full knowledge of the rights which it may have in respect to the other Parties to this Agreement, and that it has received or has been given the opportunity to seek and obtain independent legal advice from its attorneys with respect to the matter hereinabove set forth and with respect to its rights and asserted rights arising out of said matters.

10. Denial of Liability. None of the Parties have made or shall they be deemed to have made any admission of liability or wrongdoing of any kind by their negotiation of or entry into this Agreement. Neither this Agreement nor any provision contained herein shall be construed by any person as an admission by any of the Parties of any liability for, related to or arising out of any of the claims released herein or any other claims of any nature. The Parties are entering into this Agreement for the purpose of resolving disputed issues between them and to avoid the costs and risks of litigation.

11. Warranty of Authority. Each of the persons signing this Agreement declares and represents that the Party for who or which he or she is signing has taken all necessary action to approve the making and performance of this Agreement, that he or she is competent to execute this Agreement and that he or she is duly authorized and has the full right and authority to execute this Agreement on such Party's behalf.

12. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given if delivered by hand, or if mailed by United States certified or registered mail, with postage prepaid, five (5) days after mailing, or if delivered by telecopy, with receipt confirmed and a confirming letter sent by United States mail, certified or registered mail, two (2) days after telecopying:

12.1. If to Defendants: Raymond G. Fortner, Esq., County Counsel
Leela A. Kapur, Esq., Senior Assistant
County Counsel
Sharon A. Reichman, Esq., Principal Deputy
County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Telephone: (213) 974-1825
Facsimile: (213) 680-2165

with a copy to: Patricia L. Glaser, Esq.
Alisa Morgenthaler Lever, Esq.
Christensen, Miller, Fink, Jacobs, Glaser, Weil &
Shapiro, LLP.
10250 Constellation Boulevard, 19th Floor
Los Angeles, California 90067
Telephone: (310) 553-3000
Facsimile: (310) 556-2920

or to such other person or address as Defendants shall furnish to the other Party hereto in writing.

12.2. If to Plaintiffs: Silvia R. Argueta, Esq.
Yolanda Arias, Esq.
Elena H. Ackel, Esq.
Legal Aid Foundation of Los Angeles
5228 Whittier Boulevard
Los Angeles, California 90022
Telephone: (213) 640-3883
Facsimile: (213) 640-3911

Barbara Siegel, Esq.
Neighborhood Legal Services of
Los Angeles County
13327 Van Nuys Boulevard
Pacoima, CA 91331-3099
Telephone: (818) 834-7572
Fax: (818) 834-7552

Mark A. Neubauer, Esq.
Meredith M. Moss, Esq.
Alschuler Grossman Stein & Kahan LLP
The Water Garden
1620 26th Street
Fourth Floor, North Tower
Santa Monica, California 90404-4060
Telephone: (310) 907-1000
Fax: (310) 907-2000

or to such other person or address as Plaintiffs shall furnish to the other Party hereto in writing.

13. Miscellaneous.

13.1. Entire Agreement. This Agreement contains all representations and the entire understanding between the parties hereto and supercedes any and all prior written and oral agreements that exist or may have existed between the Parties. This Agreement cannot be modified except by a written instrument signed by all the Parties hereto.

13.2. Attorneys' Fees, Fees and Costs. Defendants shall pay Plaintiffs' counsel a total of Four Hundred Fifty-One Thousand Twenty-Eight Dollars and Sixty-Four Cents (\$451,028.64) in attorneys' fees and costs. Such payments shall be made as follows: a) by check in the amount of One Hundred Seventy-Four Thousand Eight Hundred Seventy-Six Dollars and Sixty-Four Cents (\$174,876.64) payable to Alschuler Grossman Stein & Kahan LLP, b) by check in the amount of Twenty-Six Thousand Sixty-Six Dollars and No Cents (\$26,066.00) payable to the Alschuler Grossman Stein & Kahan LLP Client Trust Account, c) by check in the amount of Two Hundred Eighteen Thousand Two Hundred Ten Dollars and No Cents (\$218,210.00) payable to the ACLU Foundation of Southern California, d) by check in the amount of Twenty-One Thousand Eight Hundred Seventy-Six Dollars and No Cents (\$21,876.00) payable to the Center for Medicare Advocacy, Inc., and e) by check in the amount of Ten Thousand Dollars and No Cents (\$10,000.00) to the Legal Aid Foundation of Los Angeles (for costs only). Except as otherwise provided herein, Defendants shall not be required to compensate Plaintiffs for any attorneys' fees and costs incurred in connection with monitoring Defendants' compliance with this Agreement. However, if any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs in addition to any other relief to which they may be entitled.

13.3. Additional Documents. Each Party shall, at the request of the other, execute, acknowledge and deliver whatever additional documents, and do such other acts, as may be required or convenient to carry out the intent and purpose of this Agreement.

13.4. Waiver – Validity. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. In the event that any provision of this Agreement shall be held to be invalid, the same shall not effect in any respect whatsoever, the validity of the remainder of this Agreement.

13.5. California Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State of California, without regard to choice of laws principles.

13.6. Construction. This Agreement shall be construed without regard to the Party or Parties responsible for the preparation of the same, and shall be deemed to have been prepared jointly by the Parties hereto. Any ambiguity or uncertainty existing herein shall not be interpreted against either Party, but according to the application of other rules of contract interpretation, if an ambiguity or uncertainty exists.

13.7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, representatives, successors, attorneys, agents and assigns.

13.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original and such counterparts

shall together constitute one and the same agreement. The Agreement may be executed by signature via facsimile transmission which shall be deemed the same as an original signature.

13.9. No Benefit to Non-Settling Parties. Except as expressly provided herein, this Agreement shall not confer any right or benefit upon or release from liability any person who is not a Party to this Agreement.

13.10. Jurisdiction. Judge Florence-Marie Cooper of the United States District Court for the Central District of California, or her successor, shall retain jurisdiction over this action solely for the purpose of resolving any disputes that may arise regarding this Agreement, including any action to enforce the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

GARY HARRIS

SUSAN HAGGERTY

PING YU

for [signature] wife

LUTHER RABB

MEDHAT ELSADANI

DEAN LANE

JOAN MOXLEY-BROWN

[SIGNATURES ON NEXT PAGE]

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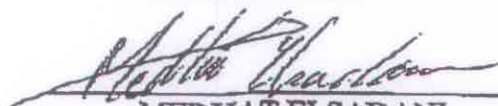
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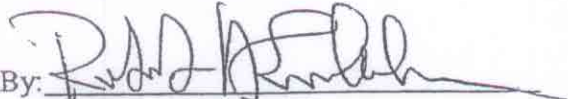


JOAN MOXLEY-BROWN

[SIGNATURES ON NEXT PAGE]

MARY PHONG

LOS ANGELES COALITION TO END HUNGER
AND HOMELESSNESS

By: 
BOB ERLENBUSCH,
Executive Director

FAMILIES AIMING TO IMPROVE
THEIR HEALTHCARE

By: _____
OFELIA CHEVAS,
President

BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES

By: OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, COUNTY COUNSEL

LEELA ANN KAPUR
Senior Assistant County Counsel

LOS ANGELES COUNTY DEPARTMENT OF
HEALTH SERVICES

By: _____
THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

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OFELIA CUEVAS,
President

BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES

By: OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, COUNTY COUNSEL

LEELA ANN KAPUR
Senior Assistant County Counsel

LOS ANGELES COUNTY DEPARTMENT OF
HEALTH SERVICES

By: _____
THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

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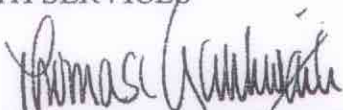
By: _____
OFELIA CUEVAS,
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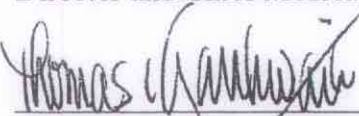
BOARD OF SUPERVISORS OF THE COUNTY
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By: OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, COUNTY COUNSEL

By:  _____
LEELA ANN KAPUR
Senior Assistant County Counsel

LOS ANGELES COUNTY DEPARTMENT OF
HEALTH SERVICES

By:  _____
THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

 _____
THOMAS L. GARTHWAITE, M.D.,
Director and Chief Medical Officer of the Los Angeles
County Department of Health Services

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to End Hunger and Homelessness, and Families Aiming to
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NEIGHBORHOOD LEGAL SERVICES OF
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AMERICAN CIVIL LIBERTIES UNION

By: _____
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ALSCHULER GROSSMAN STEIN & KAHAN LLP

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LOS ANGELES COUNTY

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AMERICAN CIVIL LIBERTIES UNION

By

Mark Rosenbaum

MARK ROSENBAUM, ESQ.

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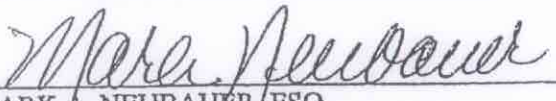
AMERICAN CIVIL LIBERTIES UNION

By

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to End Hunger and Homelessness, and Families Aiming to
Improve Their Healthcare (F.A.I.T.H.)

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By:


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PROOF OF SERVICE

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

I am employed in the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is: **5228 Whittier Blvd., Los Angeles, CA 90022-4013.**

On December 20, 2005 I served the foregoing document: **STIPULATED ORDER OF DISMISSAL WITHOUT PREJUDICE** on the interested parties in this action, by placing a true copy thereof, enclosed in a sealed envelope and mailing same at Los Angeles, California, addressed as follows:

See Attached Service List

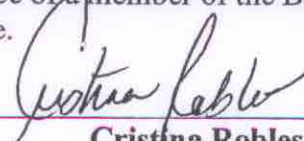
- (XX) **BY MAIL:** I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business.
- () **BY PERSONAL SERVICE:** I caused such envelope(s) to be delivered by hand by Law In Motion to the office(s) of the addressee(s) marked with a ***. (Said Proof of Service by Hand Delivery to be filed with the court.)
- () **BY FEDERAL EXPRESS:** I caused said envelope(s) to be sent by Federal Express to the address(s) marked with a +++.
- () **BY TELECOPIER:** In addition to the above service by mail, hand delivery or Federal Express, I caused said document(s) to be transmitted by telecopier at approximately () A.M./P.M. to the address(s) marked with a ^^.

Executed on December 20, 2005 at Los Angeles, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

/XX/ STATE I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

/ FEDERAL I declare under penalty of perjury that the foregoing is true and correct, and that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.


Cristina Robles

Service List

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Alisa Morgenthaler Lever
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